

## **EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES**

**Committee:** Council Housebuilding Cabinet **Date:** Monday, 12 December 2016  
**Place:** Council Chamber, Civic Offices, **Time:** 7.00 - 8.30 pm  
High Street, Epping

**Members Present:** S Stavrou (Chairman), W Breare-Hall, J Philip, H Kane and A Lion

**Other Councillors:** R Baldwin, S Heap, C Whitbread and J M Whitehouse

**Apologies:** G Mohindra and G Waller

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

**Also in attendance:** I Collins (Pellings LLP), N Penfold (Pellings LLP) and A Hooper (East Thames Group)

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### **7. SUBSTITUTE MEMBERS**

The Cabinet Committee noted that Councillor H Kane substituted for Councillor G Mohindra and Councillor A Lion substituted for Councillor G Waller.

### **8. DECLARATIONS OF INTEREST**

Pursuant to the Council's Code of Member Conduct, Councillor H Kane declared a personal interest in Agenda Item 7, by virtue of being the Ward Councillor for Woollard Street, Waltham Abbey. The Councillor had determined that her interest was non-pecuniary and would remain in the meeting for the consideration of the item.

### **9. MINUTES**

**Resolved:**

That the minutes of the meeting held on 22 September 2016 be taken as read and signed by the Chairman as a correct record.

### **10. ANY OTHER BUSINESS**

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

### **11. REVISED FEASIBILITY STUDIES**

The Assistant Director (Housing Property & Development) presented a report to the Cabinet Committee. He advised that each of the two sites at Pentlow Way, Buckhurst Hill and Woollard Street, Waltham Abbey had previously had their feasibility studies and viability approved by the Cabinet Committee. However, the designs presented

were restricted by the presence of either a mains sewer or a mains electrical sub-station. As discussed at the respective Cabinet Committee meetings, revised feasibility studies had been undertaken based on diverting these mains services.

The Assistant Director introduced the Council's agent from Pellings LLP, who gave details on the two sites.

#### Pentlow Way, Buckhurst Hill

There was a large underground foul sewer that ran through this site and an electricity sub-station on the site. After discussions with planners it was suggested that the underground foul sewer could be diverted and a more appropriate design could be created.

The original feasibility study consisted of 4 x 1 bedroomed units and the revised feasibility study would consist of 5 x 1 bedroomed units and 2 x 2 bedroomed units. Therefore the revised feasibility study gave an additional 3 units.

#### Woollard Street, Waltham Abbey

There was an underground foul and surface water sewer which ran along the boundaries of this site. After discussions with planners it had been suggested that there was a shortage of one bedroomed properties in the district and the site would be better utilised to consist of 9 x 1 bedroomed units with 18 parking spaces.

The original feasibility study consisted of 5 x 2 bedroomed units and the revised feasibility study consisted of 9 x 1 bedroomed units. Therefore the revised feasibility study gave an additional 4 units.

#### **Decision:**

(1) That the Cabinet Committee considers that each of the following 2 revised feasibility studies previously approved by the Cabinet Committee are viable for inclusion in a future phase of the Council House-building Programme;

- a) Pentlow Way, Buckhurst Hill; and
- b) Woollard Street, Waltham Abbey.

#### **Reasons for Decision:**

Whilst the 2 sites included in this report are from the original list of 65 sites approved by the Cabinet in 2012, each site was presented on its own merits at this stage, and will feature in Phases 5 and 6 respectively.

#### **Other Options Considered and Rejected:**

- (1) Not to progress with any of the schemes presented in this report and adopt one of the options included in recommendation 2 a-f.
- (2) To develop the sites with a different number of homes, or with an alternative mix of property types or parking allocation; or
- (3) To revert to the original feasibility study as previously agreed.

## 12. SITES UNSUITABLE FOR DEVELOPMENT

The Assistant Director (Housing Property & Development) presented a report to the Cabinet Committee. He advised that the two sites in Pyrles Lane, Loughton, and the site at Pound Close, Nazeing had been identified as being undevelopable because they did not receive planning permission by the relevant Area Planning Sub-Committees in relation to their applications to deliver affordable housing for applicants on the Council's Housing Register.

The Assistant Director advised that, in the view of officers, all three sites met the relevant requirements. If revised schemes were prepared, according to the way forward suggested by the Planning Sub-Committees for the two sites in Pyrles Lane, Loughton, the costs would make the schemes unviable. The way forward for the site at Pound Close, Nazeing suggested by the Area Planning Sub-Committee was that there should be no built development but a use of the land for allotments would be acceptable.

Members expressed concerns over the time and money spent on preparing these feasibility studies and submitting planning applications, only for them to be refused at the relevant Planning Sub-Committees. They commented that if a private developer were to buy the land and submit a Planning Application which was refused they would then have the right to appeal. Members therefore felt that the best option would be to sell the sites on the open market with any receipt being recycled back into the Council House-building Programme.

### **Decision:**

(1) That the Council's garage sites to the rear of numbers 109 to 127 and to the rear of numbers 100 to 108 Pyrles Lane, along with Land and garages adjacent to 14A Pound Close, Nazeing, be sold on the open market, to a private developer, with any capital receipt being recycled back into the Council House-building Programme.

### **Reasons for Decision:**

The Cabinet Committee was required to decide on the future use of garage sites unsuitable for development in line with the Council's Policy and its terms of reference.

### **Other Options Considered and Rejected:**

To adopt any other of the options within the existing Policy on the future use of undevelopable sites, as set out in the body of the report. However, if any option other than the use recommended is chosen, then the Committee must appropriate the sites to suit the alternative use.

## 13. TENDER AWARDS FOR PHASE 3 CONTRACTS

The Assistant Director (Housing Property & Development) presented a report to the Cabinet Committee. He advised that the Cabinet Committee agreed in January 2016 that, for Phase 3, the Council should adopt an alternative procurement strategy and breaks down the 8 sites making up Phase 3 into 7 separate contracts with a mixture of Design and Build contracts and traditional fully designed contracts and tender them in accordance with the Council's Procurement Rules using a price and quality assessment which was made up of 60% of the tender evaluation and 40% on quality.

The Assistant Director stated that all contractors invited to tender were checked on Constructionline for suitability and their capability to undertake the works, in addition to credit checks undertaken by the Council's Finance Team. Each tenderer had also been asked to specify the construction period on which they had based their tender.

**Decisions:**

(1) That TSG be awarded the contract for the construction of two affordable 3-bed houses and two affordable 2-bed houses at Stewards Green Road, Epping in the contract sum of £752,340.41 based on a 34 week contact period based on a price and quality tender;

(2) That Denmark & White Ltd be awarded the contract for the construction of two affordable 2-bed houses and two affordable 1-bed flats at Parklands, Coopersale in the contract sum of £716,756.74 based on a 56 week contact period based on a price and quality tender;

(3) That Storm Building Ltd be awarded the contract for the construction of ten affordable 3-bed houses and two affordable 2-bed houses at Queens Road, North Weald in the contract sum of £2,320,493.00 based on a 82 week contact period based on a price and quality tender;

(4) That TSG be awarded the contract for the construction of two affordable 3-bed houses and two affordable 2-bed flats at Bluemans End, North Weald in the contract sum of £753,034.23 based on a 36 week contact period based on a price and quality tender;

(5) That VSN Enterprises Ltd be awarded the contract for the construction of one affordable 3-bed house at Centre Drive, Epping in the contract sum of £300,285.00 based on a 38 week contact period; and

(6) That Denmark & White Ltd be awarded the contract for the construction of two affordable 2-bed houses and two affordable 1-bed bungalows at Springfield (Site C), Epping and one affordable 3-bed house and three affordable 2-bed houses at Centre Avenue, Epping in the contract sum of £1,408,126.30 based on a 60 week contact period based on a price and quality tender.

**Reasons for Decision:**

The Council's Procurement Rules requires a Cabinet decision when awarding contracts in excess of £1m. However, the Cabinet have delegated authority to the Cabinet Committee to agree all tenders associated with the Council's house-building programme as set out in its Terms of Reference.

**Other Options Considered and Rejected:**

To award the contracts to any other contractor that has tendered for the works.

**14. STREET/BUILDING NAMING FOR PHASE 3**

The Director of Communities presented a report to the Cabinet Committee. He advised that the Cabinet Committee had previously agreed to consult local town and parish councils on suggested names for building and street names developed under the Council Housebuilding Programme, and to also consult the relevant Ward Members on the local councils' suggestions. Epping Town Council and North Weald

Parish Council had been consulted on the developments within Phase 3 that require names, both of whom had provided names for each development.

The Director of Neighbourhoods, who was responsible for administering the Council's Street Naming and Numbering Policy, has been consulted on the Town and Parish Council's suggestions and had raised no objections to the names now proposed. The five Ward Members involved had also been consulted on the Town and Parish Council's suggestions and had raised no objections, with one member actively expressing support. It was therefore proposed that the four developments be named in accordance with the Town and Parish Council's suggested names.

Councillor J M Whitehouse, one of the Ward Members for Epping Hemnall Ward advised that the Springfield, Epping name of Pantins Close should be Pantin Close as this was the family name. The Cabinet Committee noted and agreed with this minor change.

**Decision:**

(1) That, following consultation with Epping Town Council and the three Ward Members, and as suggested by the Town Council, the new developments:

- (a) Between 15 and 17 Springfield, Epping be called "Pantin Close";
- (b) To the rear of 44 and 51 Parklands, Coopersale be called "Verrall Close";
- (c) Between 16 & 18 Centre Avenue, Epping be called "Matthews Close"; and
- (d) Between 39 and 52 Stewards Green Road, Epping be called "Thorn Terrace";

(2) That the three bedroom houses;

- (a) Between 71 and 73a Centre Drive, Epping be numbered 71a Centre Drive; and
- (b) Adjacent to 79 London Road, Stanford Rivers be numbered 79a London Road;

(3) That, following consultation with North Weald Parish Council and the two Ward Members, and as suggested by the Parish Council, the new developments;

- (a) Between 16 and 17 Bluemans End, North Weald be called "Centenary Close"; and
- (b) To the rear of 9 - 19 Queens Road, North Weald be called "Elizabeth Close"; and

(4) That formal applications be submitted to the Director of Neighbourhoods for the above names and numbering, in accordance with the Council's Street Naming and Numbering Policy, and that the Director of Communities be authorised to make minor changes if necessary.

**Reasons for Decision:**

Six of the developments in Phase 3 of the Council Housebuilding Programme require names. The Cabinet Committee has been authorised by the Leader of the Council to decide the names of new developments.

**Other Options Considered and Rejected:**

The main option appears to be to agree different names, proposed by the Cabinet Committee.

**15. PROGRESS REPORT**

The Assistant Director (Housing Property & Development) presented a report to the Cabinet Committee. He advised that as set out in the Terms of Reference, the Cabinet Committee was to monitor and report to Cabinet on an annual basis the progress and expenditure in relation to the Council Housebuilding Programme.

The Assistant Director advised that by the end of Quarter 4 of 2016/17 there would likely be a £1.6 million deficit below the spend target for the 1-4-1 Receipts. Part of the reason why this had occurred was due to the delays that had occurred with Phases 1 and 2 of the house-building programme.

Phase 1

The Council formally determined the contract with Broadway Construction Limited on the 1 June 2016. This occurred as Broadway Construction Limited was failing to regularly and diligently progress with the works. At its meeting on 22 September 2016 The Cabinet Committee awarded the contract for the recovery phase for the construction works to P A Finlay & Co Limited in the negotiated contract sum of £2,674,335.10.

The works recommenced on site on the 31 October 2016 with phased completion for each site reflecting the work that remained outstanding. The target completion dates for each site were as follows:

Site	Start on site	Target Completion
Harveyfields	31 October 2016	31 October 2017
Red Cross (Houses)	31 October 2016	1 May 2017
Red Cross (Duplex Units)	31 October 2016	12 June 2017
Roundhills Site 4	31 October 2016	13 March 2017
Roundhills Site 7	31 October 2016	1 May 2017

Phase 2

Mullalley & Co. Limited was appointed on 7 March 2016; the company had undertaken site and soil investigations and progressed with detailed design works. The garages had been demolished and the site secured. Highways diversions had been submitted and agreed in relation to the public footpath, vehicle cross-overs and the bus stands.

During the ground contamination surveys asbestos waste had been found and the detection of methane gas. The extended ground monitoring had led to a 9 week delay in the contractor's programme. However the Contractor has reported that this time will be clawed back and had anticipated that the completion date would remain the same, which was 9 April 2018. If events led to a claim for an extension of time in

the future, it was noted that the Council would not be liable for loss and expense as a result of any delays.

### Phase 3

The Cabinet Committee, at an earlier meeting, agreed to procure the Phase 3 sites as a mixture of design and build and traditionally designed contracts. Tenders had been issued, returned, evaluated and reported.

Subject to the Cabinet Committee agreeing the various contract awards, work will start on site early in 2017. Each contract was based on its own contract period, which were as follows:

Site	Contractor	Tender Sum	Contract Period
Stewards Green Road, Epping	TSG	£727,340.41	34-weeks
Parklands, Coopersale	Denmark and White	£716,756.74	56-weeks
Queens Road, North Weald	Storm Building Ltd	£2,230,493.00	82-weeks
Bluemans End, North Weald	TSG	£725,366.18	36-weeks
Centre Drive, Epping	VSN Enterprises Ltd	£300,285.00	36-weeks

### Phases 4-6

The Cabinet had previously decided to impose a temporary moratorium on work to progress Phases 4-6 of the Housebuilding Programme with immediate effect, with the exception of progressing planning applications up to their determination.

#### Barnfield, Roydon (Purchase of 8 affordable homes - Section 106 Development)

Following a joint bid from the Council and B3Living that had been accepted by Linden Homes, the Council had entered into an agreement to purchase 8 x affordable rented homes, with B3Living purchasing the 3 x shared ownership homes. The works were now on site with the target completion date for the works being October 2017.

#### Purchase of Street Properties

Following the Cabinet Committee's decision to spend around £2m on the purchase of street properties in January 2016 in order to utilise 1-4-1 Receipts, six 2 & 3-bed houses in Waltham Abbey had been purchased at a total cost of around £2.1m including fees and stamp duty. Each of these required works and were currently in the process of being let at affordable rents.

#### Financial Position

The Cabinet Committee regularly monitored expenditure on the Council Housebuilding Programme. This included income by way of 1-4-1 Receipts and other affordable housing contributions as well as expenditure on a quarterly basis.

As reported earlier, since the time that decisions had been made that led to the HCA grant not being taken up and unspent 1-4-1 Receipts being returned to the Government, the delays to Phases 1 and 2 reported earlier, had resulted in

expenditure not keeping up with the projected cash flow required to spend the accrued 1-4-1 Receipts. Whilst every effort was being made to claw the slippage back, it was likely that some further 1-4-1 Receipts would have to be paid to the Government, with interest.

Members expressed concern about the possibility of having to pay money to the Government with interest and asked Officers if there was a way the money could be utilised, perhaps by buying more street properties.

The Assistant Director advised that not only was there insufficient time left in this financial year to purchase street properties as they would have to be in the Council's possession by 31 March 2017, the remaining 70% of the acquisition costs would have to be met from sources other than 1-4-1 Receipts, which would be contrary to the moratorium placed on the Housebuilding Programme and the reasons for implementing the moratorium. However, he advised that consideration could be given to the Council giving the 1-4-1 Receipts to a Housing Association who were building in this area, in the form of grant, for which the Council would receive nomination rights secured on the properties purchased.

On discussion members were in agreement, in principle, that consideration should be given to the 1-4-1 Receipts being given to a Housing Association currently on site, developing in this district.

The Director of Communities advised that the Terms of Reference of the Council Housebuilding Committee did not give delegated authority to the Cabinet to decide this issue, which would have to be a Cabinet decision.

Members agreed that this should be referred to Cabinet as soon as possible, perhaps with a special meeting of the Cabinet being convened if necessary.

**Decision:**

- (1) That the contents of this Progress Report on Council house-building be noted;
- (2) That, if necessary, the Leader of Council be asked to convene a special Cabinet Meeting, to be held before the next scheduled meeting on 2 February 2017, to consider the use of 1-4-1 Receipts that will not be able to be used before their 3-year deadline at the end of March 2016; and
- (3) That a recommendation be made to the Cabinet that these 1-4-1 Receipts be passed to a Housing Association currently on site with an affordable rented housing development in the District, to enable the 1-4-1 Receipts to be used for the benefit of the District and to avoid the Council incurring interest payments to the DCLG, subject to the Council having nomination rights to the properties built with this money.

**Reasons for Decision:**

The Cabinet Committee was required to monitor progress and expenditure in relation to the Council House-building Programme, as set out in its Terms of Reference.

**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.



**16. EXCLUSION OF PUBLIC AND PRESS**

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

**CHAIRMAN**

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