

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-001-2019/20

Date of meeting: 18 June 2019

Portfolio: Housing and Property Services

Subject: Progress Report for Phases 2 - 6

Responsible Officer: Matt Rudgyard (01992 562363)

Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

That the contents of this Progress Report on Phases 2 - 6 of the Council Housebuilding Programme be noted, and presented to the Cabinet in line with the Terms of Reference.

Executive Summary:

This report sets out the progress that has been made across each of the two phases of the Housebuilding programme that are on site (Phases 2 and 3), and the developments that will make up future phases 4-6.

Reasons for Proposed Decision:

Set out in its Terms of Reference, the Cabinet Committee is to monitor and report to the Cabinet on an annual basis progress and expenditure in relation to the Council Housebuilding Programme. This report sets out the progress made over the last 12-months.

Other Options for Action:

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

Report:

Phase 2 - Burton Road, Loughton – 15 x 3 bed houses, 2 x 2 bed houses, 23 x 3 bed flats & 11 x 1 bed flats

Scheme	Contractor	Start on site date	Contract Period	Contract comp. date
Burton Road	Mulalley	23 rd February 2016	104 weeks	26 th February 2018
Anticipated completion date	Variation	Contract Sum	Anticipated Final Account	Variation
13 th September 2019	+ 80 weeks	£9,847,179.00	£10,864,287.00	£1,017,108.00

- This development is behind programme and has encountered several delays due to the following:
 - The discovery of an unidentified live cable running across the site.
 - Additional time spent remediating contamination across the site that had not previously been identified.
 - The fire in August 2018 to the upper floors of Block B which has extended completion to July 2019. There will be a phased handover of all of the houses and flats in Block A through April and May 2019.
- The anticipated final account is currently £10,861,015.00 which represents a 10% increase upon the originally agreed contract sum. The additional costs relate to the diversion of the live electric cable, additional remediation costs, and additional offsite works that have been instructed on the main highway. The costs relating to the fire will be covered by the Contractor and their insurers with no implications for the Council.
- Handovers at Burton Road have now commenced and the 17 houses are all occupied. The flats at Davis Court are due to be handed over on the 12th and 13th June 2019 with the flats at Churchill Court handing over in September 2019.

Phase 3

Bluemans End - 2 x 3b houses, 1 x 2b Flat & 1 x 2b flat

	Contractor	Start on site date	Contract Period	Contract comp. date
Bluemans End	TSG Building Services Ltd	2 nd May 2018	36 weeks	17 th January 18
Actual completion date	Variation	Contract Sum	Final Account	Variation
26 th March 2018	+ 8 weeks	£753,034.23	£839,170.77	+£86,136.54

- The homes were handed over on the 26th March 2018 which was a total of 8 weeks behind programme. This was due to Thames Water delays in providing their connection.
- The Final Account was agreed at £839,170.77 which is 11% above the originally agreed contract sum. These additional costs are made up of variations mostly relating to boundary treatments, the removal of unforeseen contaminated waste and removal of asbestos.

Stewards Green Road - 4 x 2b houses

Scheme	Contractor	Start on site date	Contract Period	Contract comp. date
Stewards Green Road	TSG Building Services Ltd	22 nd May 2017	34 weeks	24 th January 18
Actual completion date	Variation	Contract Sum	Anticipated Final Account	Variation
13 th December 2018	+ 46 weeks	£752,340.41	£852,921.00	+£100,580.59

6. The homes were handed over on the 13th December 2018 which was a total of 46 weeks behind programme. This delay was due to the discovery of asbestos in the hardcore material that had been used to form the sub-base of the new entrance road.
7. The Final Account is yet to be agreed but is anticipated at £852,921.00 which is 13% above the originally agreed contract sum. These additional costs are made up of variations mostly relating to boundary treatments and the removal of contaminated waste over and above what had been allowed for. The Council intends to pursue the Consultant for costs in relation to the additional works that were required to clear the previously unidentified hazardous materials.

London Road – 1 x 3b House

Scheme	Contractor	Start on site date	Contract Period	Contract comp. date
London Road	VSN Enterprises Ltd	19 th June 2017	36 weeks	7 th March 2018
Actual completion date	Variation	Contract Sum	Final Account	Variation
7 th March 2018	Nil	£235,695.00	£262,507.93	+£26,812.93

8. The home was handed over having reached practical completion on the 7th March 2018 which was as per the agreed programme
9. The Final Account was agreed at £262,507.93 which is 11% above the originally agreed contract sum. These additional costs were because of variations to the specification, the most significant additional costs being the change in heating system required and PV installation.

Parklands, Coopersale – 2 x 2b Houses & 1 x 1b Flats

Scheme	Contractor	Start on site date	Contract Period	Contract comp. date
Parklands	Denmark and White Ltd	18 th April 2017	56 weeks	24 th May 2018
Actual completion date	Variation	Contract Sum	Final Account	Variation
10 th October 2018	+ 20 weeks	£716,756.74	£763,848.98	+£47,092.24

10. The homes were handed over having reached practical completion on the 10th October 2018 which was a total of 20 weeks behind programme. The delays were due to the design of the gravity fed drainage system and associated increase in ground levels.
11. The Final Account was agreed at £763,848.98 which is 7% above the originally agreed contract sum. These additional costs are made up of variations, the most significant being the increase in levels across the whole of the development to allow for a gravity fed drainage system.

Springfield and Centre Avenue – 1 x 3b House, 5 x 2b Houses & 2 x 1b Bungalows

Scheme	Contractor	Start on site date	Contract Period	Contract comp. date
Springfield and Centre Avenue	Denmark and White Ltd	18 th April 2017	60 weeks	21 st June 2018
Actual completion date	Variation	Contract Sum	Final Account	Variation
7 th January 2019	+ 28 weeks	£1,408,126.30	£1,650,655.23	+£242,528.93

12. The homes were handed over having reached practical completion on the 7th January 2019 which was a total of 28 weeks behind programme. This was due to delays at the end of the programme where external works and boundary treatments took far longer than had previously been anticipated.
13. The Final Account was agreed at £1,650,655.23 which is 17% above the originally agreed contract sum. These additional costs are made up of variations, the most significant being the provision of a gravity fed drainage system and treatments to the site boundaries.

Centre Drive – 1 x 3b House

Scheme	Contractor	Start on site date	Contract Period	Contract comp. date
Centre Drive	VSN Enterprises Ltd	30 th October 2017	36 weeks	27 th June 2018
Actual completion date	Variation	Contract Sum	Final Account	Variation
8 th November 2018	+ 19 weeks	£300,285.00	£355,188.00	+£54,903.00

14. The homes were handed over having reached practical completion on the 8th November 2018 which was a total of 19 weeks behind programme. This was due to delays at the end of the programme where additional surface water drainage works had to be undertaken.
15. The Final Account was agreed at £355,188.00 which is 18% above the originally agreed contract sum. These additional costs are made up of variations, the most significant being the additional surface water drainage works required.

Queens Road, North Weald – 10 x 3b Houses & 2 x 2b Houses

Scheme	Contractor	Start on site date	Contract Period	Contract comp. date
Queens Road	Storm Building Ltd	7 th January 2019	83 weeks	7 th August 2020
Anticipated completion date	Variation	Contract Sum	Anticipated Final Account	Variation
7 th August 2020	Nil	£2,320,493.00	£2,710,357.00	£389,864.00

16. Due to the nature of the site a package of initial enabling works needs to be completed, including the relocation of a UKPN substation before construction works can commence.
17. A letter of intent was issued to Storm Building Ltd up to a works value of £250K to undertake the enabling works. The enabling works were expected to take three months to complete.
18. The main construction works were originally expected to commence on the 5th March 2018. However, due to several factors including the discovery of a significant volume of asbestos under the concrete slabs to the garages and delays in completing the relocation of the substation the start on site this was delayed until the 7th January 2019. Anticipated completion of the project has been delayed until August 2020.
19. In terms of project costs, we are already forecasting an overspend of £388,864.00 above the originally agreed contract sum, an increase of 17%. The cost increases are mainly due to:
- The discovery of asbestos for which an additional £125,000.00 was negotiated with the Contractor for removal costs
 - Delay to the start date post tender to the sum of £157,532.41. The contractors

original tender was based on a start date in October 2016 and commenced in August 2017.

Phases 4,5 and 6

20. Work has now commenced on the delivery of Phases 4,5 and 6 with a number of planning permissions already enacted, garages demolished and planning conditions relating to contamination being approved.
21. In considering how best to approach the procurement of the construction contracts it was agreed to package up the sites in terms of size and geography to take advantage of economies of scale. This has meant that Phases 4,5 and 6 has been broken down into 9 packages. A schedule of these packages is attached at Appendix 1 to this paper.
22. Detailed design development is currently progressing on all 9 of these packages with the furthest progressed (Packages 1,2 and 3) expected to be tendered in July 2019 with start on site anticipated in September 2019.
23. The design development period is longer than would normally be expected as we have asked the Architect to undertake further work to de-risk the scheme to takes into account the lessons learnt from Phases 1,2 and 3. This additional design period will also give us more cost certainty on each development.

Resource Implications:

Estimated expenditure for Phase 2 (inc fees) - £1,097,044.00
Estimated expenditure for Phase 3 (inc fees) - £1,664,146.00
Estimated expenditure for Phase 4 - 6 (inc fees) - £18,200,000

Legal and Governance Implications:

It is set out in its Terms of Reference that the Cabinet Committee is to monitor progress and expenditure in relation to the Council Housebuilding Programme and report to the Cabinet on an annual basis.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

- Ward Councillors have been consulted on each feasibility study that falls within their respective Ward.
- Local Residents, Town and Parish Councils and other statutory bodies have been consulted as part of the planning process where planning applications have been submitted.

Background Papers:

- Decisions of the Cabinet committee associated with the feasibility studies for each of the sites that make up Phases 1-6 inclusive.
- Decisions of the relevant Area Planning Sub-Committee, Cabinet, District Development Management Committee or Council associated with the Planning process for each site already approved up to and including Phases 1-6 inclusive.

- Decisions of the Cabinet Committee in respect of Policies or progress monitoring for each of the phases.

Risk Management:

There is a comprehensive risk register that has been compiled and is being monitored in respect of the housebuilding programme. Each risk, where appropriate has a risk mitigation action plan. A programme wide risk register is included for information at Appendix 2.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 3.

Appendix 1

Epping Forest District Council House Building Programme Phase 4 (Previously Phases 4-6)

AIREMILLER

Proposed Packages for Programme of Works

04/08/2019 v5

Previous Designated Phase	New Phase 4	Address	Postcode	Ward	Planning Approval Date	Planning Approval Expiry Date	Unit Mix	Unit Number	Works Value Revised Dec 2015 Updated to 2Q 2019 using BCIS All-in TPI
Phase 4	Phase 4	Chequers Road, (Site A), Loughton	IG10 3QF	Loughton Alderton	05/02/2016	05/02/2019	3 x 3b5p	3	£ 828,600
Phase 4	Phase 4	Bushfields, Loughton	IG10 3JR	Loughton Alderton	03/05/2016	03/05/2019	2 x 2b4p	2	£ 556,697
		Package 1						5	£ 1,385,387
Phase 4	Phase 4	Chequers Road, (Site B), Loughton (2)	IG10 3QF	Loughton Alderton	08/02/2016	08/02/2019	5 x 2b4p	5	£ 1,636,993
		Package 1A						5	£ 1,636,993
Phase 4	Phase 4	Chester Road, Loughton	IG10 2LR	Loughton Broadway	04/03/2016	04/03/2019	3 x 2b4p	3	£ 718,238
		Package 2						3	£ 718,238
Phase 5	Phase 4	Queensway, Ongar	CM5 0BP	Ongar	20/06/2016	20/06/2019	4 x 1b	4	£ 1,120,351
Phase 5	Phase 4	Millfield	CM5 9RJ	High Ongar	20/06/2016	20/06/2019	2 x 1b	2	£ 351,024
		Package 3						6	£ 1,471,375
Phase 4	Phase 4	Lower Alderton Hall Lane, Loughton	IG10 3HA	Loughton Alderton	04/03/2016	04/03/2019	2 x 2b4p	2	£ 507,768
Phase 5	Phase 4	Hornbeam Close, (Site B), Buckhurst Hill	IG9 6JS	Buckhurst Hill East	04/08/2016	04/08/2019	3 x 3b5p	3	£ 804,225
Phase 5	Phase 4	Hornbeam House, Buckhurst Hill	IG9 6JT	Buckhurst Hill East	04/08/2016	04/08/2019	2 x 2b4p	2	£ 447,445
Phase 5	Phase 4	Bourne House Buckhurst Hill	IG9 6JY	Buckhurst Hill East	04/08/2016	04/08/2019	2 x 3b5p	2	£ 597,832
		Package 4						9	£ 2,357,269
Phase 4	Phase 4	Etheridge Road, Debden	IG10 2HY	Loughton Broadway	30/08/2016	30/08/2019	1 x 2b4p, 2 x 3b5p	3	£ 852,555
Phase 4	Phase 4	Ladyfields, Loughton Alternative Design	IG10 3RP	Loughton Alderton	21/09/2016	21/09/2019	6 x 2b4p	6	£ 1,275,879
Phase 4	Phase 4	Whitehills Road, Loughton (Alternative Design)	IG10 1TU	Loughton St Mary's	21/09/2016	21/09/2019	2 x 2b3p bung	2	£ 446,200
		Package 5						11	£ 2,574,634.20
Phase 6	Phase 4	Denny Avenue	EN9 1NS	Waltham Abbey	25/01/2017	25/01/2020	1 x 2b, 2 x 3b	3	£ 771,605
Phase 6	Phase 4	Pick Hill	EN9 9LB	Waltham Abbey	25/01/2017	25/01/2020	2 x 3b5p	2	£ 625,415
Phase 6	Phase 4	Beechfield Walk, option B (5 units)	EN9 3AA	Waltham Abbey	22/03/2017	22/03/2020	5 x 2b4p	5	£ 1,087,011
Phase 6	Phase 4	Woolford Street (Alternative design)	EN9 1HD	Waltham Abbey	13/12/2017	13/12/2020	9 x 1b2p	9	£ 1,399,539
		Package 6						19	£ 3,883,570
Phase 4	Phase 4	Kirby Close, Loughton	IG10 3BA	Loughton Roding	21/09/2016	21/09/2019	4 x 2b4p	4	£ 911,559
Phase 5	Phase 4	Pentlow Way, Buckhurst Hill (Alternative design)	IG9 6BZ	Buckhurst Hill East	20/12/2017	20/12/2020	5 x 1b2p, 2 x 2b4p	7	£ 1,588,899
		Package 7						11	£ 2,500,458
Phase 4	Phase 4	Thatchers Close, Loughton	IG10 2JH	Loughton Fairmead	27/04/2016	26/04/2019	1 x 3b5p	1	£ 286,716
Phase 6	Phase 4	Bromefield Court	EN9 3HA	Waltham Abbey	25/01/2017	24/01/2020	1 x 2b4p	1	£ 252,685
Phase 6	Phase 4	Shingle Court	EN9 3HD	Waltham Abbey	25/01/2017	24/01/2020	1 x 2b4p bungalow	1	£ 341,430
Phase 6	Phase 4	Stonyshotts	EN9 3DF	Waltham Abbey	22/02/2017	21/02/2020	1 x 2b4p bungalow	1	£ 228,100
Phase 6	Phase 4	Wrangley Court	EN9 3HN	Waltham Abbey	22/02/2017	21/02/2020	1 x 1b2p	1	£ 200,756
		Package 8						23	£ 1,269,688
		Package 1 to 8 Total including 1A						92	
		OVERALL TOTAL						92	