

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-008-2020/21
Date of meeting: 08 December 2020

Portfolio: Housing and Community Services – Councillor H Whitbread

Subject: Council House Building Progress Report – Phases 3 to 5

Responsible Officer: Deborah Fenton (01992 564221)
Service Director HRA

Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

That the contents of this Progress Report on Phases 3 to 5 of the Council House Building Programme be noted and presented to the Cabinet in line with the Terms of Reference of the Council House Building Cabinet Committee.

Executive Summary:

The report sets out the progress that has been made across phases 3 to 5 of the House building programme that are either completed, on-site or are currently being procured. In Phase 4, Package 4.1 - 14 units - has been contracted and a start on the sites have now been made on all but Millfield, Package 4.2 - 22 units – has also been contracted and a start on the sites are anticipated in January 2021. Package 4.3 – 15 units – awaiting consent, with contract signing anticipated Jan/Feb 2021, possession in March, with a start on site anticipated July/Aug 2021. Package 4.4 - 28 units - (an additional 12 units) are awaiting consent.

Once approved Ladyfields and Chequers Road (B) will be issued for tendered Jan/Feb 2021, returned by April for reporting May and approval June. It is anticipated contracts will be signed in July 2021 and possession achieved August 2021. The contractor will carry out their Design and Build due diligence and discharge their pre-commencement conditions by Dec 2021 to start on site in Jan 2022.

An update on Phase 5 is also provided within this report.

Reasons for Proposed Decision:

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

Other Options 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 3

Queens Road, North Weald: HR116

10 x 3 Bed Houses & 2 x 2 Bed Houses

Scheme	Contractor	Site Start	Contract Period	Original Comp. Date
Queens Road	Storm Bld.	07:01:19	83 Wks	07:08:20
Ant. Comp.	Variation	Contract Sum	Ant. Final Acc.	Variation
30:09:20	6 Wks	£2,470,493	£2,914,732	£444,239 (18%)

The completion date was originally August 2020 however due to the Government Restrictions in place relating to Covid19 and the consequential effect on the supply chain, there have been two Extension of Time (EOT) awards. The first for 5 weeks and the second 23 weeks and 2 days. This takes the site completion through to 28/02/21 however it is currently anticipated that (based up on the contractor's latest programme) all 12 units will achieve completion simultaneously on 21.01.21.

The anticipated final account is £2,914,732 this is £444,239 over contract value relating mainly to contamination removal, the under provision for utilities and Covid19 delays. The contractor Storm Ltd, are claiming £99K for preliminaries based on the awarded EOTs. Contractually, this is being resisted.

Phase 4

Phase 4.1 – Contracted with TSG Ltd

SoS. - Weeks - Handover

Chequers Road (A), Loughton : HR 124	3 x 3B units	31:07:20	56	20:08:21
Bushfields, Loughton : HR 122	2 x 2B units	13:07:20	56	16:08:21
Chester Road, Loughton : HR 130	3 x 2B units	07:09:20	56	25:10:21
Queensway, Ongar : HR 140	4 x 1B units	02:11:20	53	13:11:21
Millfield, Ongar : HR 138	2 x 1B units	30:11:20	53	30:11:21

Total **14 units**

The Start on Site activity has now occurred on Chequers Rd (A), Bushfields, Chester Road and Queensway with Millfield to follow shortly.

(Please see **Appendix 1. Phase 4 Executive Report No14** dated November 2020).

A new **Site Cost Movement Report (SCMR)** (Please see **Appendix 2.**) is attached detailing each site, which will record both the movement in the period and cumulative movement to date, together with the Contingency Release movement. Since the last report it was noticed that there was a slight inconsistency in the treatment of the contingency release, this has been addressed and the SCMR will be used to record both the movement in the period and maintain the cumulative increase, in order to create a historical record for transparency purposes and to inform future setting of contingency levels.

Chequers Road (A), Loughton

Post Tender Adjustments have been made amounting to **£8,350** for increasing the water main supply for the sprinkler system, **£13,430** for garden infiltration layers due to water logging

encountered on previous phases and additional drainage costs associated with further reducing the surface water run-off.

In this period since my previous report a Variation Order (VO) has been agreed for the removal of contaminated material found under the slab totalling **£25,845**. Leaving a contingency figure of just **£13,755**.

A VO is yet to be agreed for a retaining wall anticipated at c£27k and boundary treatment changes therefore it is anticipated that the contingency figure allowed will be fully utilised.

Currently there is c7wks delay due to Covid19 restrictions and awaiting planning responses.

Bushfields, Loughton

Post Tender Adjustments have been made amounting to **£7,960** for increasing the water main supply for the sprinkler system, **£13,453** for garden infiltration layers due to water logging encountered on previous phases and additional drainage costs associated with further reducing the surface water run-off from 5 l/s to 2 l/s.

In this period since my previous report a VO has been agreed for the removal of contaminated clay adjoining the railway line totalling **£3,120**. Leaving a contingency figure of **£26,097**.

A None Material Application was approved 21/09/20.

Currently there is 5 wks delay due to Covid19 restrictions and awaiting planning responses.

Chester Road, Loughton

Post Tender Adjustments have been made amounting to **£5,500** for increasing the water main supply for the sprinkler system, **£22,784** for increasing the FFL due to the flood risk assessment, and **£11,526** for garden infiltration layers due to water logging encountered on previous phases.

In this period since my previous report a VO has been agreed for the removal of contaminated clay adjoining the railway line totalling **£10,414** for additional drainage costs associated with further reducing the surface water run-off from 5 l/s to 2 l/s. Leaving a contingency figure of **£28,145**.

VO's are yet to be agreed for piling works required for foundation protection against trees and flood protection doors which are anticipated to be c£55k

Queensway, Ongar

Post Tender Adjustments have been made amounting to **£11,275** for increasing the water main supply for the sprinkler system, **£13,026** for garden infiltration layers due to water logging encountered on previous phases.

In this period, since my previous report, a VO has been agreed totalling **£11,071** for the additional drainage costs associated with further reducing the surface water run-off from 5 l/s to 2 l/s, leaving a contingency figure of just **£28,613**.

A None Material Application was approved on 14/09/20.

Currently there is a 2 week delay due to Covid19 restrictions and awaiting planning responses.

Millfield, Ongar

Post Tender Adjustments have been made amounting to a saving of **-£1,714** relating to the water main supply for the sprinkler system and **£13,026** for garden infiltration layers due to water logging encountered on previous phases.

In this period, since my previous report, a VO has been agreed totalling **£5,492** for the additional drainage costs associated with further reducing the surface water run-off, leaving a contingency figure of just **£21,709**.

A None Material Application was approved 12/10/20

Currently there is c5 weeks delay due to Covid19 restrictions, awaiting planning responses and Building Control approval.

Pick Hill, Waltham Abbey HR145: 2 x units

A Tender Report for the previously envisaged group of 4.3 sites (which included the Single Unit Sites) was carried out however the tender report was redrafted given the single unit sites were held pending confirmation of their planning status (this has also enabled a review to be made as to what other options may be best pursued and is discussed further below). This resulted in an amended report being prepared for the Portfolio Holders approval recommending Pick Hill is included within the 4.1 group of sites.

An advanced traffic assessment study has been carried out along Pick Hill which has concluded that no abnormal provisions are required with regard to construction traffic movement.

Once confirmation of approval is received contracts will be issued for signing.

NMA approved 21/09/20.

Currently a contingency figure of 10% of the Tender Price is allowed; this will be reviewed and reassessed when the contract is finalised.

Generally

The sites in Phase 4 are progressing albeit slowly due to the reasons set out above, principally due to the Covid19 restrictions and the associated supply chain disruption this has particularly impacted on a number of areas limiting progress and materials e.g. fencing materials.

As will be appreciated Phase 4.1 sites (excluding Pick Hill) were let as one contract and there is currently **c£118k** of contingency remaining with **c£80k** of anticipated additional costs to come.

Phase 4.2 – Contracted with Indecom Ltd			SoS	Handover
Hornbeam Close (B) Buckhurst Hill:	HR 136	3 x units	25:01:21	04:02:22
Hornbeam House , Buckhurst Hill:	HR 137	2 x units,	25:01:20	04:02:22
Bourne House , Buckhurst Hill:	HR 135	2 x units,	25:01:20	04:02:22
Etheridge Road , Debden:	HR 127	3 x units,	11:01:20	21:01:22
Denny Avenue , Waltham Abbey:	HR 144	3 x units,	11:01:20	21:01:22
Beechfield Walk , Waltham Abbey:	HR 147	5 x units,	11:01:20	21:01:22
Kirby Close , Loughton:	HR 120	4 x units,	11:01:20	21:01:22
Total		22 units		

These sites were tendered in two groups. Contracts have been signed and the contractor, Indecom, took possession of the sites for insurance and Health & Safety purposes on 02/11/20. They are currently completing their due diligence under their JCT Design & Build Contract confirming the above SoS dates and anticipated dates for handover.

The Tender Report for the 4.2 group of sites was submitted and approved at the previous CHBCC meeting and the tender price of **£2,160,015** and **£4,234,504** totalling **£6,394,519** was accepted with completion some c52 weeks following the actual Start on Site.

As reported previously for good order - The tender breakdown is listed below:

	Tender Price
Contract 1:	
Hornbeam Close (B):	796,102
Hornbeam House:	643,764
Bourne House:	720,149
Contract 2:	
Etheridge Road:	1,173,281
Denny Avenue:	860,640
Beechfield Walk:	1,115,482
Kirby Close:	1,085,101
	6,394,519

Phase 4.3 - Comprising: -

Pentlow Way , Buckhurst Hill:	HR139	7 x units
Woollard Street , Waltham Abbey:	HR149	8 x units
Total		15 units

As referred to above under Pick Hill - a Tender Report for the previously envisaged group of 4.3 sites (which included the Single Unit Sites) was produced. However, the tender report was redrafted given that the single unit sites were held pending confirmation of their planning status (which has also enabled a review to be made as to what other options may be best pursued, discussed further below). This resulted in an amended report being prepared for the Portfolio Holders approval recommending acceptance of TSG Limited's quote for Pick Hill (to be included within the 4.1 group of sites) and the acceptance of the tenders for Pentlow Way and Woollard Street to form Phase 4.3.

Once confirmation of approval is received contracts will be issued for signing.

Both Pentlow Way and Woollard Street required resubmission for planning due to the extent of changes found necessary to deliver the scheme. Pentlow Way has been approved 18/11/20 and the target date for determination for Woollard Street is the 18/12/20.

On this basis, it is anticipated that contracts will be issued for signing by late January/early February 2021 with possession anticipated March 2021. The Contractor is anticipated to carry out their due diligence and discharge their planning conditions for a start on site to be made in July/August 2021 to facilitate a handover anticipated in October 2022. This will involve the relocation of an existing electric sub-station, building over a Thames Water adopted sewer and agreeing changes to lease and service charges of existing leaseholders (4No).

Phase 4.4 - Comprising: -

Ladyfields , Loughton:	16 x units
Chequers Road (B) , Loughton:	8 x units
And possibly (held in SAC)	
Lower Alderton Hall Lane , Loughton:	2 x units
Thatchers Close , Loughton:	1 x unit
Stonysotts , Waltham Abbey:	1 x unit
Total	28 units

Due to significant design changes and scheme improvements reported previously, it was necessary to resubmit both Ladyfields and Chequers Road (B) for planning consents. The target date for determination on Ladyfields is 14/12/20 and the TDD for Chequers Road (B) is 25/12/20. Currently, Ladyfields is to be EFDC's first 'Passivhaus' incorporating 'Air Source Heat Pump and Heat Recovery System' as a positive response to Councils Climate Emergency and will enable field tests and experience to be gained to better inform the Councils future decision making. We are also reviewing the extra over cost for Chequers Road (B) to potentially achieve 'Passivhaus' accreditation. The planning application for relocating the Sub Station was submitted 12/11/20 a target determination date is currently awaited.

Once approved the Ladyfields and Chequers Road (B) will be issued for tendered Jan/Feb 2021, returned by April for reporting May and approval June. It is anticipated contracts will be signed July, possession achieved August and the Contractor to carry out their Design and Build due diligence and discharge their pre-commencement conditions by Dec 21 to start on site in Jan 2022.

Lower Alderton Hall Drive and Thatchers Close, Loughton

Both these sites are awaiting planning consent and have been delayed by the Local Plan and SAC issues - it is anticipated that these may be released by mid-2021.

Because of the change in planning policy, Thatchers Close will be reviewed for delivery of 2 x 1Bed units for which there is great need and resubmitted. There are other potential development sites near-by to be reviewed under the Phase 5 process in due course.

Stonysotts, Waltham Abbey

This consent will be reviewed for either resubmission as previously consented, potentially redesigned to deliver 2 x 1 Bed units and considered as a test site for delivery of EFDC's first Self Build or Custom-built property as it will potentially require a 'Planning Passport' type approach and will require significant internal consultation.

Bromefield Court , Waltham Abbey:	HR143	1 x unit
Shingle Court , Waltham Abbey:	HR147	1 x unit
Wrangley Court , Waltham Abbey:	HR161	1 x unit

These have been reviewed and it is considered that c50+ could be delivered in the Winters Way area whilst offering the opportunity to address the existing parking stress and deliver landscaping/play area improvements.

It is believed a much broader neighbourhood wide area review could be beneficial to all stakeholders. With this in mind, an approach has been made to the local council representatives in line with a 'New Approach' agreed for reviewing future Phase 5 sites and it is very much hoped

that the local representatives will see this as a positive option to addressing and improving the local environment.

Whitehills Road, Loughton

Given the change in planning advice it is intended to resubmit for planning consent with the aim of selling the site at auction as previously proposed.

Phase 5

In line with the principals of the 'New Approach' for Phase 5, several sites are now being progressed (please see **Appendix 3. Phase 5 Executive Report** dated November 2020) These are:

Phase 5.1

St Peters Avenue, Shelly, Ongar

Potential for 32 + units. Following a review of the area's potential, it is believed some 30+ units could be delivered within the wider area. I am pleased to report that very positive engagement has commenced with the local council representatives and several issues are now being considered.

In order to deliver this number of units there would appear to be a need to improve the local roadway, landscaping and play area capacity. The roadways are in a particularly poor condition resulting from its pre-car use design, narrow road-width, high on street parking usage and low off-street parking facilities (possibly due to the high charge for driveway crossings). This in turn has resulted in the verges and landscaping areas being adversely affected by informal parking.

For this reason, a direct approach has been made to the Director and Head of Highways for Essex County Council with the aim to engage and explore the possibility of EDFC's contractors carrying out potential highway improvements and ECC making a financial contribution. With the support of the Local and County Council representatives it is hoped this will benefit all parties involved.

Fee quotes have been agreed and instructions given to carry out initial traffic, arboriculture, utility and drainage assessments together with some initial sketch schemes that may be considered and progressed as part of the now ongoing engagement process.

These will lead to a comprehensive feasibility study being produced for presentation to the Council House Building Cabinet Committee.

Phase 5.2

Marlescroft Way, Loughton

Potential for 24 + units. An initial assessment is being carried out with regard to the flood risk and arboriculture to consider the sites potential constraints prior to carrying out an initial sketch scheme.

Hyde Mead & Pound Close, Nazeing

Potential for 10 + units. An initial assessment is being carried on the area to the rear of No 43 with regard to the flood risk and arboriculture to consider the sites potential constraints prior to

carrying out an initial sketch scheme. Given the close proximity to Pound Close, which was previously refused, it is intended to revisit this with the aim of seeking support to a resubmission if the previous objections can be overcome.

Hornbeam Close (A), Buckhurst Hill

Potential for 8 + units. This garage site was one of four garage sites in the area that were considered for development. The application of this site was withdrawn in anticipation of it being refused. However, it is proposed to revisit this as there may be an opportunity to address in some way the considerable parking stress in the area and potentially deliver some landscaping improvements.

Oakley Court, Hillyfields

Potential for 4/12 + units. No 33 & 35 have been vacant for some time due to structure damage to the properties and No37 is in private ownership. It had been hoped (and may still be possible) to acquire No37 to afford a more comprehensive development but the owner has indicated he would prefer the two adjoining properties to be redeveloped.

Therefore, it is intended to carry out a sketch scheme and feasibility study to redevelop just the area of the two vacant units and to assess what could be achieved if No37 was acquired.

Pyrles Lane (A) & (B)

Potential for 6+ units. These are sites near to each other. Site (B) was previously submitted and refused however if support could be achieved for both these sites their development may facilitate enabling works that could potentially address in some way the parking stress in the area and deliver some landscaping improvements.

Other sites to be reviewed:

Beechfield Walk (B), Waltham Abbey

Potential for 3 + units Councillor H Kane when contacted was supportive of the site being redeveloped as it is currently in a poor state of repair and is attracting anti-social behaviour. Residents are being contacted and informed of the impending Start on Site at Beechfield Walk (A) and the intention to seek development on site (B).

Winters Way, Waltham Abbey

Potential for 50 + units as referred to above, Broomfield Court, Shingle Court and Wrangley Court are located off Winters Way and when reviewed it became apparent that some 50+ units could potentially be delivered and thereby go some considerable way towards addressing the existing parking stress in the area together with landscaping and play area improvements. It is very much hoped that with Local Councillor engagement these much-needed affordable housing and neighbourhood improvements can be delivered.

Barrington Close, Debden

Potential for 20 + units. This area was once a community hall/garden to the sheltered housing scheme which has been restructured leaving the hall/garden area surplus to requirements. This site could offer the opportunity to deliver some much needed 2, 3 and 4 Bed units in an area with a high number of 1 Bed units.

St John The Baptist Church, High Street

Potential for 10 + units. This site located between St John's Church and the adjoining Library and is in the ownership of the 'The Incumbent of the Benefice of Epping District in the County of Essex in the Diocese of Chelmsford and his Successors'. It is currently awaiting a pre-app meeting following which, if acceptable, the site will be assessed, and a feasibility study carried out for presentation to the Council House Building Cabinet Committee.

Conclusion

It is very much hoped that with Local Councillor support and engagement with the local communities, the sites listed above could potentially deliver some 175 much need affordable properties (with many more identified and capable of being investigated soon). Whilst doing so, this also addresses in some way, the areas suffering parking stress together with delivering landscaping and play area improvements in the form of enabling works. It is strongly believed this will add value to the neighbourhoods in which they are located and add value to EFDC's retained housing stock. It is therefore critical to obtain the engagement, co-operation and financial contribution of Essex County Council Highways.

With the above in mind, we have now acquired the 'Pro-Val' valuation software package and we have received the first of the training sessions with the remaining training sessions programmed to held in the next few weeks.

Following this, we are very much looking forward to carrying out viability exercises on each of the Phase 4 sites in order to start and build up a data base of financial performance statistics against which to compare future site feasibility studies in Phase 5 and beyond.

Also, of note, we have registered on Homes England 'Investment Management System' (IMS) in anticipation of submitting our formal bid(s) going forward and would advise that we have made an initial approach to Homes England for potential grant funding on several sites in Phase 4.2. and their response is awaited.

This will hopefully increase our financial capacity to carry out further developments to deliver more affordable housing within the District in a faster timeframe than previous. This will hopefully support an increase in our delivery programme and help build our record of achievement with Homes England in order to access yet further funding.

The Framework Alliance Agreement

Given only two contractors of the four nominated contractors have sought to provide tenders to date and given we have grown evermore concerned that there is only one nominated Architect ECDA and their inability to co-ordinate sub-consultants effectively as required by the FA (plus they would appear to overtly expensive), it is felt that the FA is therefore not operating as intended and it is not offering best value for money. We have therefore, with the assistance of our Employers Agent, reviewed the current FA and concluded that it is in EFDC's best interest to seek a change.

Following advice from Devonshire Solicitors regarding the framework, it is believed that our action to change the previous engagement arrangement in favour of our progressive approach on Phase 5 is much better and addresses our concerns in regard to the nominated Architect as the limited architectural work for the feasibility work has been tendered by our Employers Agent Airey Miller who have reported that Clague Architects provided the best value for money and, of particular interest, that the incumbent architect ECD have been the most expensive.

On this basis, it is intended that Phase 5 will be sub-divided into sub-phases to accommodate programming and Councils 'approval to proceed' process following submission of a feasibility report for each site intended to be progressed to planning submission.

These sub-phases of Phase 5 will be regularly reviewed to ensure the architectural services RIBA 1-3 will be below the Official Journal of the European Union (OJEU) thresholds at each relevant stage.

It is recommended that we should seek to procure services for Phase 5 by procuring two/three tenderers from both the 'Hyde framework and ECDA (the current nominated FA Architects).

The Hyde Framework is widely used by a number of Local Authorities and Registered Housing Providers. There is a small joining fee c.£1,500 which our Employers Agent is arranging the disbursement for and which we will reimburse.

Going forward on Phase 5 the Architects tender will exclude M&E, structural and Principal Designer elements which will be procured separately.

The Architects scope will be RIBA 1-3 and based on the EFDC framework which will take precedence over the Hyde framework.

The feasibility work can continue during this period to avoid delays and it is believed there will be a much greater level of competitive tendering by a much great number of Contractors going forward.

Financial Reporting

Officers continue to work with colleagues in the Finance department to develop a more robust reporting system, particularly around cash flow.

Resource Implications:

The vacant role of 'Housing Development/Enabling Officer' has been recruited.

Legal and Governance Implications:

As a consequence of Government Covid19 Restrictions and the significant change in Planning view some delay, reprogramming and reviewing of the CHBP has occurred.

Safer, Cleaner and Greener Implications:

The continued delivery of the development housing programme will help address the antisocial behaviour issues associated with these garage sites and will reduce the opportunity for fly-tipping and thereby contribute to a Greener environment.

Consultation Undertaken:

Interdepartmental involvement has and will continue to be engaged.

Background Papers:

The Phase 4 Executive Report (Appendix 1), together with the Phase 4 Site Cost Movement Report (Appendix 2.) and Phase 5 Executive Report (Appendix 3.) are available upon request.

Risk Management:

The Risks associated with the delivery of the current housing development programme is identified within the Executive Report attached.

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 consideration of this report. The equality information is provided as an Appendix to this report.