

Forward Plan reference number:

Report title: Land for Housing Development in Chelmsford	
Report to: Councillor Tony Ball, Cabinet Member for Economic Development, Councillor Christopher Whitbread, Cabinet Member for Finance	
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Date: 2 nd September 2020	For: Decision
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County Divisions affected: Chelmsford	

Confidential Appendix

This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

1. Purpose of report

- 1.1. This paper seeks approval to draw down funding to progress a scheme at Hargrave House, Chelmsford (the Site) to full planning determination stage (the Project).
- 1.2. A further report will follow to agree the next steps if planning permission is granted on the Site.

2. Recommendations

- 2.1. To approve £131,729 in 2020/21 to be added to the Hargrave House project, to be drawn down from the existing block code for Essex Housing.
- 2.2. To approve £95,985 in 2021/22 to be added to the Hargrave House project, to be drawn down from the existing block code for Essex Housing.
- 2.3. To agree the drawdown from the Transformation Reserve of Revenue costs of £5,344 in 2020/21 and £2,375 in 2021/22.
- 2.4. To agree to commit £227,713 capital and £7,719 revenue to progress the Project by August 2021 which includes detailed design, planning, technical design, site preparatory works and Essex County Council (ECC) internal costs.

3. Background and proposal

- 3.1. The Site of Hargrave House (0.7 HA) is located in Great Baddow, Chelmsford.
- 3.2. Accordingly, Essex County Council (ECC) has been considering development opportunities for the Site. The Site will provide a mix of good quality private sale and affordable units which are much needed in the locality. The proposal is for circa 17 residential properties to be placed on the site with a new community facility.
- 3.3. Stanley Bragg have been engaged with ECC providing professional advice and guidance including undertaking capacity studies of the Site. Build costs have been provided by Quantity Surveyors Potter Raper, financial appraisals and marketing advice provided by Savills and Planning Consultants Bidwells have advised on likely planning constraints and opportunities.
- 3.4. A range of due diligence has already been undertaken which includes amongst other things capacity studies and planning reports as part of initial feasibility investigations. This did not indicate any particular issues with the development. More detailed due diligence will be undertaken as part of the design and planning phase.
- 3.5. This additional due diligence and Site preparation activity will include the finalisation of the full design of the Site and completion of the planning application process. ECC will look at utilising expertise in house, however, it might be necessary in formalising the design that additional resources are required. These will be procured through ECC's Request for Quote process, in accordance with ECC's Procurement Policy and governance requirements will be subject to separate governance .
- 3.6. Following the grant of planning permission a further governance report will be prepared detailing options and recommendation for the future development of the site and seeking approval to go out to market to procure a contractor.
- 3.7. ECC's Essex Housing team will manage the Project. The key milestones as follows:

Milestone Description	Target Date
Detailed design and planning application preparation	May 2021
Planning permission secured (Inc. s106 negotiations)	October 2021
Technical design and Contractor tender complete	November 2021

4. Options

- 4.1 The following options have been considered in detail:

- 4.1.1 **Option 1 (Recommended):** To secure planning permission for circa 17 units (10 private and 7 affordable), to be developed by Essex Housing and sold to generate capital receipts for ECC. This option will also include the development of a community facility which will be retained to generate a rental income for ECC.
- 4.1.2 **Option 2:** To secure planning permission for circa 19 units (12 private and 7 affordable), to be developed by Essex Housing and sold to generate capital receipts for ECC.
- 4.1.3 **Option 3:** To dispose of the site.
- 4.1.4 **Option 4:** To retain the whole site and forgo capital receipts and incur maintenance liabilities.

5. Next Steps

- 5.1 ECC will continue to work with the Site and progress its planning application with Chelmsford City Council. Once planning has been obtained, a further report will be brought to consider whether ECC wish to embark on the development of the Site and therefore seek to appoint a contractor, or to sell the Site at that stage.

6. Consideration of Implications

6.1. Financial Implications

- 6.1.1 The project involves undertaking due diligence and securing full planning permission on the Site.
- 6.1.2 Should ECC sell the Site with planning permission, only the outline business case costs of £235,432 (excluding borrowing) will be incurred and the capital receipt from sale will be paid back against the borrowing taken out for the scheme. Outline business case borrowing costs total £7,095.
- 6.1.3 £131,729 is required to be added to the Hargrave House project in 2020/21 and £95,985 in 2021/22, with this project cost, relating to the recommended option, being drawn down from existing Essex Housing capital programme allocation. These costs will cover detailed design, planning, technical design and site preparatory works.
- 6.1.4 £7,719 of Revenue costs are required to be drawn down from the Transformation Reserve relating to Essex County Council internal costs.
- 6.1.5 Given commercial sensitivity, the potential longer term financial implications associated with this project are set out in the confidential appendix for information.

6.2 Legal Implications

- 6.2.1 ECC has the power under the Local Government Act 1972 to acquire land and power under the Local Authorities (Land) Act 1963 to develop land for the improvement or development of its area. The aim of this scheme relate principally to ensuring that housing is available to meet the needs of Essex residents.
- 6.2.2 Any future building contract and appointment of advisors will need to be procured in accordance with ECC procurement policy and the Public Contracts Regulations 2015, and will be part of a future decision by the Cabinet Member.

7 Equality and Diversity implications

- 7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3 An initial equality impact assessment carried out on 20 August 2018, indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic and a section 2 Equality Impact Assessment is not considered necessary.

8 List of Appendices

- 8.1 Confidential Appendix
- 8.2 Equality Impact Assessment

9 List of background papers

- 9.1 None

Land for Housing Development in Chelmsford

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Tony Ball, Cabinet Member for Economic Development	10 September 2020

In consultation with:

Role	Date
Councillor Chris Whitbread, Cabinet Member for Finance	10 September 2020
Executive Director for Corporate and Customer Services (S151 Officer) Stephanie Mitchener on behalf of Nicole Wood	09 July 2020
Monitoring Officer Laura Edwards on behalf of Paul Turner	04 Aug 2020