

Forward Plan reference number: FP/414/04/19

Report title: Land for Housing Development in Harlow: (HAR007)	
Report to: Councillor Gagan Mohindra, Cabinet Member for Finance, Property and Housing	
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Date: 10 th May 2019	For: Decision
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County Divisions affected: Harlow North	

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This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.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

Councillor Gagan Mohindra, Cabinet Member for Finance, Property and Housing

- 2.1. To approve the total of £745,735 to be brought forward from the existing 2020/21 block code for Essex Housing and to be added to the capital programme for 2019/20.
- 2.2. To approve £213,086 in 2020/21 to be added to the capital programme, to be drawn down from the existing block code for Essex Housing.
- 2.2. To agree the drawdown from the Transformation Reserve of Revenue costs of £21,367 in 2019/2020 and £37,073 in 2020/21 for the purposes outlined at 2.3.

- 2.3 To agree to invest £959k capital and £58k revenue to progress the Project by February 2021 which includes detailed design, planning, technical design, contractor tender, site preparatory works and Essex County Council (ECC) internal costs.

3. Background and proposal

- 3.1. The Site is an ECC owned site of 2.38 ha, close proximity to the centre of Old Harlow and approximately 1 mile to the closest train station, and currently occupied by Harlowbury Primary School.
- 3.2. Harlowbury Primary School are due to move to a new, larger building on land within the nearby Gilden Way development. The relocation will enable the school to expand to a 420 place primary school which will be open in September 2021. Once the new school is complete, the old site will be closed and will be surplus to ECC's education estate.
- 3.3. Accordingly ECC has been considering development opportunities for the Site. The Site will provide a mix of good quality private and affordable units which are much needed in the locality. The proposal is for up to 47 residential properties to be placed on the site.
- 3.4. Arcady Architects have been engaged with ECC providing professional advice and guidance including undertaking capacity studies of the Site, build costs have been provided by Oxbury Chartered Surveyors and financial appraisals and marketing advice provided by Savills.
- 3.5. 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.
- 3.6. 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. Appointments will be done by the Development Operations Manager or equivalent in accordance with ECC's Financial Delegations.
- 3.7. As part of informing ECC's decision making on the future of the Site following planning permission being obtained, ECC will engage the market to obtain a price for the construction of the Site, based on the final design developed by ECC. This price will enable ECC to more accurately predict the investment required should it wish to proceed to fully develop the Site, and will form part of the overall consideration brought back to the Cabinet Member for approval.

- 3.6. ECC's Essex Housing team will manage the Project. The key milestones as follows:

Milestone Description	Target Date
CMA Approval	June 2019
Design Team Appointed	August 2019
Detailed design and planning application preparation	May 2020
Planning permission secured (Inc. s106 negotiations)	September 2020
Technical design and Contractor tender complete	December 2020
Decision to confirm disposal/construction option	February 2021

4. Options

- 4.1.1 The following options have been considered in detail:

- 4.2 Option 1 – The development by Essex Housing of a 47 residential unit scheme developed for open market sale. This is the preferred option, as this will provide the most economical return on ECC's investment and will assist in satisfying the housing gap in Harlow, and will assist Harlow Council in meeting the obligations under their local plan.

Option 2 – The development by Essex Housing of a 47 residential unit scheme developed for rental until year 9 and then sold to the open market in year 10. This is not being proposed at this time due to the time taken for ECC to see a return on its investment.

Option 3 – The development by Essex Housing of a 47 residential unit scheme developed for open market sale. Through a 50/50 Joint Venture where ECC contributes half the total costs (made up of foregoing land and finance). This was not considered appropriate at this time. ECC has the capacity to undertake the development and therefore a joint venture would not provide any additional benefits.

5. Next Steps

- 5.1 ECC will continue to work with the Site and progress its planning application with Harlow 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. £745,735 will be added to the capital programme for 2019/2020 and £213,086 in 2020/21, with the project cost being drawn down from existing Essex Housing capital programme allocation.

- 6.1.2. Given commercial sensitivity, the financial implications associated with this project are set out in the confidential appendix.

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 will need to be procured in accordance with the Public Contracts Regulations 2015, and will be part of a future decision by the Cabinet Member once planning approval has been obtained.

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

I approve the above recommendations set out above for the reasons set out in the report.	Date
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Land for Housing Development in Harlow

Councillor Gagan Mohindra, Cabinet Member for Economic Development	24/05/19
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In consultation with:

Role	Date
Executive Director for Corporate and Customer Services (S151 Officer) Margaret Lee	20/05/19
Monitoring Officer Kim Cole on behalf of Paul Turner	16/05/19