

Essex Housing Member Briefing

November 2022

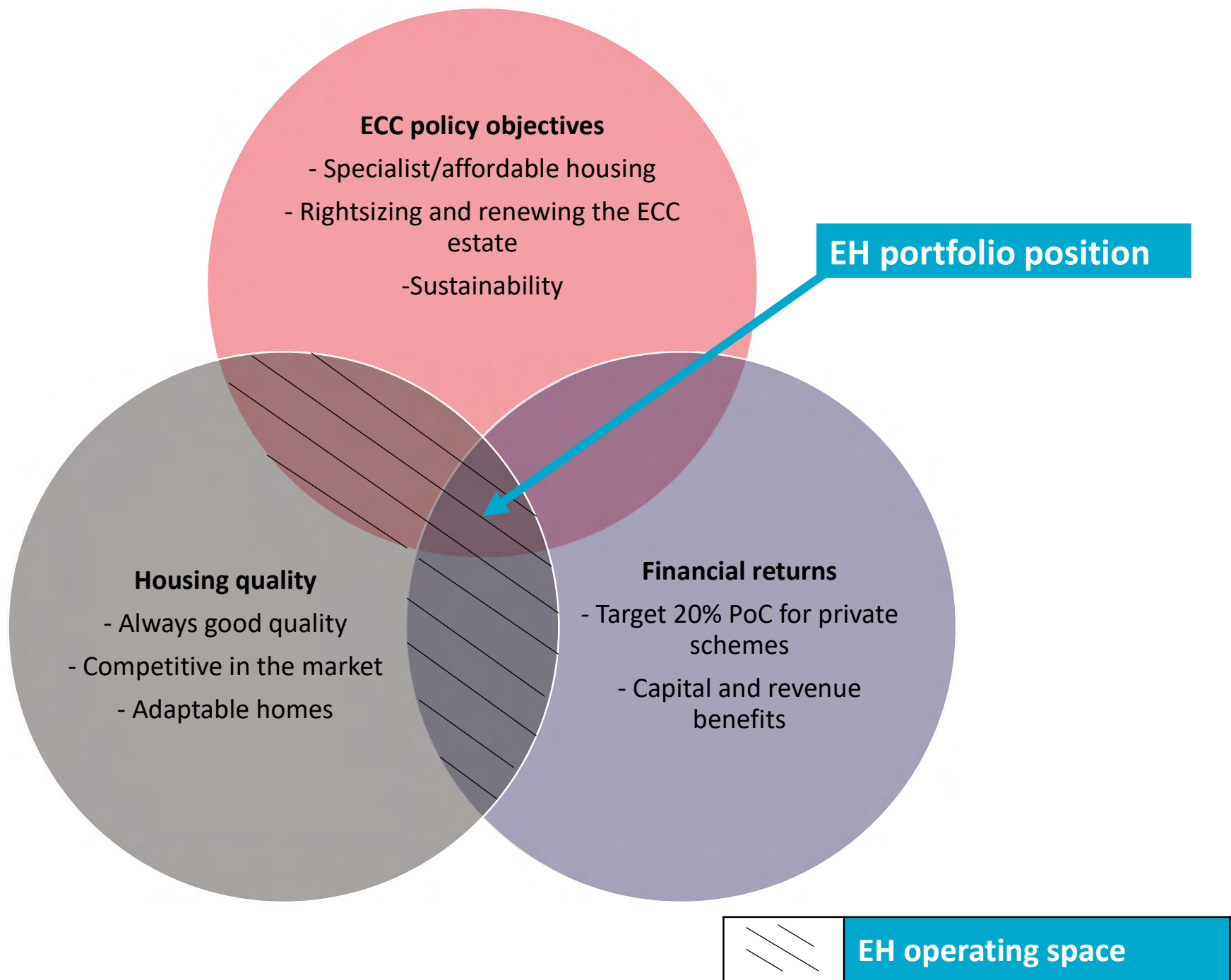


Essex Housing introduction

- Essex Housing was established in 2016 to help address housing need by building general, specialist and affordable housing, and to provide assets that deliver social value.
- Essex Housing manage schemes from inception to completion to meet social, financial and strategic objectives
- Essex Housing do this whilst reducing the burden on the taxpayer by generating capital receipts and delivering revenue benefits
- In 2020 the Essex Housing Development LLP was formed. This enables Essex Housing to operate more commercially and offer greater financial flexibility to ECC.
- Essex Housing coordinates the County's role in the Government's One Public Estate Programme (OPE). The OPE helps right size the public estate and free up surplus land.
- Essex Housing is recognised nationally as an exemplar model and has been shortlisted for a variety of awards.
- Essex Housing has a live programme of 1,028 units, including 513 private sale/rent (50%), 508 specialist or affordable (49%) and 7 retained ECC assets (1%).



Essex Housing operating space



Essex Housing LLP An Alternative Delivery Vehicle

The Essex Housing LLP was established in February 2021. The LLP was setup to provide greater financial flexibility and enable Essex Housing to operate in a more agile and commercial way

A variety of different operating models were considered at the time, but as the primary purpose of Essex Housing is to deliver social value, it was deemed that an LLP model would be the most suitable approach and would offer the most benefits.

Not all Essex Housing schemes are carried out by Essex Housing LLP. Schemes where Essex County Council will retain the freehold such as library projects are delivered as Essex County Council schemes.

Currently, there are nine schemes within the Essex Housing LLP and a further twelve schemes delivered, or to be delivered, by Essex County Council.



Essex Housing LLP strategic direction

- The strategic direction of Essex Housing is set by Cllr Wagland as the Cabinet Member with responsibility for Essex Housing. Cllr Wagland is also the Political Shareholder Lead for Essex Housing LLP.
- The operation of Essex Housing is overseen by the Essex Housing Board, which is responsible for:
 - Owning the Essex Housing Business Plan
 - Recommending investment decisions to ECC
 - Performance management/monitoring
 - Overseeing the operation of the LLPs
 - Reporting to the Shareholder Lead and Cabinet Member with responsibility for Housing
- The structure of the board is:
 - Cllr Ray Gooding - Chairman (nominated by The Leader)
 - Stephanie Mitchener, Director of Finance, ECC
 - Chris Martin, Director of Strategic Commissioning and Policy, ECC
 - Gwyn Owen, Managing Director of Essex Housing, ECC
 - Alan Lewin - Independent Board Member
- ECC and Seax Trading Limited are invited to the Essex Housing Board meetings as observers and may send representatives to attend



Essex Housing LLP delivery and accountability

- The Five-Year Business Plan 2020-25 was approved by Cabinet and outlines the LLP's long-term objectives
- Each year, an Annual Delivery Plan (ADP) is published to show the forecast development programme and budgetary requirements for the upcoming year
- The ADP is submitted for approval to ECC's Cabinet which delegates authority to deliver the annual delivery plan to the LLP Board and ECC's Cabinet Member with responsibility for Housing
- To progress a scheme identified in the ADP, the following steps are taken:
 - The LLP Board will consider each scheme as set out in the ADP
 - Approved schemes are added to pipeline. Working capital loan used to progress to construction
 - Following initial work, LLP board agree transfer of land and to request funding to construct
 - Once endorsed by the LLP, ECC take a decision to sell the land to the LLP and agree funding
 - Once land is transferred and finance is in place, a works contract can be signed to proceed
 - LLP board meets monthly and receives updates and discusses all schemes and the programme
- The LLP Board can take decisions up to the value of £2m to deliver schemes set out in the ECC approved annual delivery plan. All decisions with implications above £2m require ECC approval



Essex Housing LLP benefits

LLP Surplus -The surplus within the LLP vehicle (remaining after wider group benefits are realised).

Margin on lending – An early and ongoing revenue return to ECC.

Cost removed from the ECC operating environment – EH team and SLA related costs (finance, procurement etc).

Spend remaining within the ECC group – Fees paid by the LLP to other parts of ECC or ECC Group organisations (e.g. Essex Legal Services/Place Services).

Land values realised – Realise land receipts and remove holding costs through development.

Savings from specialist provision – delivery of a range of specialist units that deliver revenue savings to ECC.

Retained Assets – The programme delivers carers facilities, community hubs and commercial assets.

Grants Secured – Essex Housing leading the Greater Essex One Public Estate Partnership has secured external funding.

Economic and social benefits -Impact of delivery on ECC wider objectives (jobs created, Environmental enhancements etc)

Essex Housing Scheme Composition

	Scheme	Unit Composition			
		Private Sale	Specialist / Affordable	Units Retained/ Other	Total units
LLP Schemes	College Gardens (Rochford)	14	0	0	14
	Essex County Hospital (Colchester)	116	4	0	120
	Hargrave House (Chelmsford)	10	0	1	11
	Purford Green (Harlow)	29	6	0	35
	Shernbroke (Epping)	16	9	1	26
	Friary (Maldon)	15	6	1	22
	Harlowbury (Harlow)	33	14	0	47
	Mundon Road (Maldon)	72	0	0	72
	Scrub Lane (Castle Point)	25	16	1	42
	St Peters (Chelmsford)	136	27	0	163
ECC Schemes	Loughton Library (Epping)	38	0	1	39
	Shenfield Library (Brentwood)	9	0	1	10
	Hillhouse (Epping)	0	60	0	60
	Coppins Court (Tendring)	0	60	0	60
	Rocheway ILOP (Rochford)	0	60	0	60
	Westfield (Harlow)	0	60	0	60
	St Peters ILOP (Chelmsford)	0	60	0	60
	Mundon Road ILOP (Maldon)	0	60	0	60
	Lexden Springs (Colchester)	0	60	0	60
	Lexden Ambulance (Colchester)	0	6	1	7
Total		513	508	7	1,028

Essex Housing Mid-year Highlights

Shenfield Library -
relocation, demolition and
main works contractors
procured

Former Shernbroke Hostel
– ground remediation and
works contractor procured

Former St Peters College –
approval of a masterplan
for over 200 units

Hargraves House – design
progress on this net-zero
pilot scheme

Rocheway – last two units
remaining (12 of 14 units
with agreed sales)

Loughton Library –Planning
application finalised and
submitted

Essex County Hospital -
demolition, remediation
and archaeological
excavation

Inside Housing Awards
2022 – Winner of Best
Development Team/ Best
Partnership

One Public Estate –
Continued scheme delivery
and preparation of new
BLRF funding bid.

Greater Essex One Public Estate Partnership

Essex Housing supports and facilitates the Greater Essex One Public Estate Partnership in a variety of ways:

- We provide secretariat support to the partnership
- We promote estates best practice and coordinate learning and development sessions for partners
- We facilitate the building and sharing of estates intelligence to drive collaboration and learning
- We are in regular contact with the Regional OPE Managers (based at LGA and Cabinet office), Homes England, NHS Property, Estates Leads at all public sector organisations with a footprint in Essex
- We successfully support funding applications for feasibility and to cover abnormal costs on projects
- We have attracted £7.94m of OPE capital funding and £1m of revenue funding in the last 5 years
- We are recognised nationally as a leading partnership and by partners as a valuable and thriving partnership

Active Members of the Partnership

Amphora Homes	Harlow Council
Basildon Borough Council	Hertfordshire and West Essex ICS
Braintree District Council	Homes England
Brentwood Borough Council	Maldon District Council
Castle Point Borough Council	Mid and South Essex CCG
Chelmsford City Council	Mid and South Essex Health Care Partnership
Colchester Borough Council	NHS Property Services Ltd
Colchester Hospital University NHS Foundation Trust	North Essex CCG
East of England Ambulance Service	Princess Alexandra Hospital, Harlow
East Suffolk and North Essex NHS Trust	Rochford District Council
Essex County Council	Southend City Council
Essex County Fire and Rescue Service	Southend University Hospital Trust
Essex Housing	Suffolk and North East Essex ICS
Essex Partnership University NHS Foundation Trust	Tendering District Council
Essex Police	Thurrock Council
	University of Essex
	Uttlesford District Council

Essex Housing schemes

Norton Road Ingatestone



Overview

The site was previously used by ECC and NHS for a variety of functions including a children's home and family centre. The site was a conversion that was developed into 6 specialist units for adults with learning disabilities.

The scheme was completed in June 2018, with all 6 units being sold to a registered provider of special housing, with ECC retaining nominations rights.

Goldlay Square Chelmsford



Overview

The site previously hosted the ECC's Library Headquarters before becoming surplus to requirements. The site is now home to a scheme of 23 private and 9 specialist apartments (for young people with learning disabilities who are transitioning to adulthood).

Construction was completed at the end of 2019 with sales complete in early 2021. The Scheme was highly commended for Best Development Under 50 units in the UK Inside Housing Awards.

Moulsham Lodge Chelmsford

Overview

Moulsham Lodge is the former home of a disused community centre which has been relocated as part of this project. Our scheme delivered 18 private apartments and 8 independent living units for adults with learning disabilities. Construction was completed in 2019.



College Gardens Rochford (Two Phases)

Overview

College Gardens is on the site of a former secondary school (1937) subsequently used as an Adult Community College. There are two phases to this scheme. Phase one is 14 private units and phase two is a 60-unit ILOP scheme. Phase one construction was completed in February of 2022 with sales agreed on 12 of the 14 properties to date. Enabling works for phase two were completed as part of phase one.



Essex County Hospital Colchester

Overview

The former Essex County Hospital will be redeveloped to deliver 120 new homes with a mix of apartments and houses. The project consists of the redevelopment of listed, locally listed and buildings with heritage interest with the remainder of the site now demolished. This is a site in a highly sought-after location on the edge of Colchester town centre and in a prime residential position comprising approximately 4.5 acres.

Latest

- Demolition is complete with only buildings that will remain left on site.
- A final phase of archaeology is almost complete alongside full ground decontamination.





Hargrave House Chelmsford

Overview

Hargrave House is a former children's home that was surplus to requirements, and which has since been used as a temporary basis for the Kids Inspire Charity. This scheme will deliver 10 residential units, and a brand-new community facility for Kids Inspire. In November 2021, ECC's Cabinet took the decision to deliver Hargrave House as a Net Zero Carbon Emission scheme.

Latest

- Essex Housing are working with the design team and specialist consultants to design the residential units as Net Zero Carbon Emissions and Passivhaus certified



Challenges and Risks

Essex Housing challenges and risks

- Inflationary Pressures
- Interest Rates / Borrowing Rates
- Housing Market Changes
- Labour / Construction Market Changes
- Local Planning Authority Resources and Requirements
- Balance of social and financial objectives
- Remaining agile while ensuring strong accountability and good governance

Future Plans

Essex Housing future plans

- Continue to optimise the Essex Housing delivery model and further embed the Limited Liability Partnership.
- Continue to deliver schemes/financial returns outlined in the Annual Delivery Plan.
- Identify new opportunity sites for the Essex Housing delivery programme
- Contribute towards a range of wider ECC policy objectives (e.g. specialist/affordable housing, sustainable development and rightsizing and renewing the ECC operational estate.
- Continue to take a lead role in the One Public Estate programme and seeking new opportunities to secure external grant funding for Essex
- Exploration of new opportunities outside of current scope



Thank you

