

Report to the Council

Committee: Cabinet

Date: 20 June 2023

Subject: Variation of Capital Programme – Development of North Weald Allocated Employment Land.

Portfolio Holder: Councillor J Philip

Recommending:

That the Capital Programme be varied by £500,000 to undertake the design, costing and options development for the allocated employment land at North Weald Airfield.

Report:

Introduction

1. At its meeting on 30 May 2023, the Cabinet considered the options and proposals for developing the employment land released on the North Weald Airfield site.
2. Full details can be found in the report at item 11 on the agenda of that Cabinet meeting. The public report can be freely accessed via the Council's website or the following link:

<https://rds.eppingforestdc.gov.uk/documents/g11747/Public%20reports%20pack%2030th-May-2023%2019.00%20Cabinet.pdf?T=10>

3. The Cabinet agreed to commission Qualis to undertake the next stage of design, costing and options development for the allocated employment land released at North Weald Airfield under the Local Plan. In addition, permission was given for Qualis to undertake preliminary work and commissioning using the earmarked provision from HMRC being held by the Council.

Qualis Proposal

4. A budget fee of up to £500,000 is required to provide
 - Direct Development Management and Project Management services - £150,000; and
 - Consultant services to include legal, engineering, highways, architecture, commercial agency and others - £350,000.
5. The above approach provides for a detailed understanding of the Masterplan site in advance of committing to the next stages. The outturn expectations of this exercise will provide the basis for:
 - Infrastructure delivery and Implementation

- Development plots to cater for a mix of building sizes and uses
- Speculative development to capture market demand and early income
- End user design and build to ensure improved tenant mix and income protection
- An analysis of options available to the Council before it proceeds to the next stage.

Financial Implications for the Council's Capital Programme

6. The work to progress the North Weald development is an investment that it is intended will ultimately create an asset of significant value to the Council and thus it is expected that the costs associated with this work would be capitalised. As there is no existing provision in the Capital Programme, a request is being made to the Council to vary the existing Capital Programme to incorporate this scheme.

7. The Council has already committed to sell a sizeable proportion of the land released at North Weald. This will generate a significant capital receipt which could be used to fund the capital costs of this development. If at any stage before completion of the development the Council decides not to proceed, without having increased the value of the site, then these costs potentially become abortive and will need to be charge back to the Council's revenue budget.

8. The Council is holding a sum paid by HMRC for its use of North Weald as an Inland Border facility and this will be earmarked against the potential write-off of costs, should at any point the Council wish not to proceed with this proposal.

9. In advance of Approval being given by the Council for the variation of the Capital Programme to accommodate this cost, the earmarked HMRC provision is being used to fund preliminary works so that the work can commence immediately, foreshortening the eventual timeframe to bring options back to the Council.

10. Therefore, the Cabinet is requesting the Council to agree to increase the Capital Programme by £500,000 to allow the design, costing and options development to be undertaken for the employment land to be released at North Weald Airfield under the Local Plan.

11. We recommend as set out at the commencement of this report.