

**Report to the Asset Management and
Economic Development Cabinet
Committee**



**Epping Forest
District Council**

Report reference: *AMED-008-2018/19*

Date of meeting: *17 January 2019*

Portfolio: Commercial and Regulatory Services

Subject: St John's Road Site – Update report

Responsible Officer: Jim Nolan (01992 564083)

Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

Recommendation;

That the Committee note the current position regarding the St John's Road site.

Executive Summary:

This report updates the Committee on the progress of the St John's Road development project.

Reasons for Proposed Decision:

To appraise the Committee on the progress of the project.

Other Options for Action:

None, as this monitoring report is for information not action.

Report:

1. Following the failure to conclude the tri-partite agreement between the District and Town Council and their development partner, Cabinet agreed that the Council should proceed with an alternative scheme in accordance with the previously adopted Development and Design Brief and that we should seek to enter onto a partnership with Epping Town Council as part of any new scheme. Furthermore that in the event of a partnering arrangement not being possible with Epping Town Council, the District Council should proceed with the St John's Road Redevelopment project, on land within its ownership.
2. In addition, it was agreed that the site should become the preferred site for the re-provision of Epping Sports Centre and that it should be delivered by the existing contractual arrangements with the Council's Leisure Management Partner, Places for People.

3. Cabinet also agreed that in order to proceed with the completion of a full development appraisal and bring forward a planning application for the site, appropriate external consultancy expertise is procured, to be funded by the anticipated balance of £150,000 from the £400,000 the Council has previously agreed for the partial demolition of the site.
4. As part of the former negotiations a Development and Design Brief was produced. The brief recommended a mixed-use development, which not only set a vision for the future of the site, (based on the aspiration of local residents), but on adoption by the Cabinet and Full Council in September 2012, now represents non-statutory planning advice. As such, it is a material consideration for any planning application for the site going forward.
5. The Development and Design Brief was prepared in conjunction with key stakeholders and underwent community consultation. This exercise produced more than 400 responses from local residents who felt the most important considerations in any form of future redevelopment, were improved community and leisure facilities, (to include a cinema) and the retention of historic buildings.
6. Following the decisions made by Cabinet in December a meeting was convened between, officers of the council and representatives of Places Leisure (including Pozzoni Architecture and the Sports Consultancy).
7. As a result of this meeting and recognising that Pozzoni Architecture are developing the brief for the Leisure Centre (the anchor building on the site) officers made the decision to appoint Pozzoni Architecture as consultants to produce a master plan for the whole site, which incorporates the elements of the previous brief agreed by Full Council and the Submission Version of the Local Plan. The cost of this will be in the region of £10,000 which given that they are already undertaking work on the site is heavily discounted.
8. In the meantime, a cinema provider has been approached and has expressed interest in the development.
9. When the master plan has been produced it will be submitted to a Quality Review Panel of external planning professional, urban designers and architects etc, who vet schemes before they are submitted for full planning permission.
10. Members will be aware of a recent internal audit report on the management of the St John's Road Development project at the point at which the project changed direction, in October 2018.
11. As part of the audit review recommendations were made concerning internal governance arrangements.
12. In order to address these recommendations the following actions have been taken:
 - The current project has been formally closed and the learning points from it have been incorporated into a new project;
 - More robust governance arrangements have been put in place via a new project team under the leadership of the Director of Commercial and Regulatory Services acting as Programme Manager, which will incorporate regular updates to the Strategic Board;
 - The project will be managed via the corporate project management system (Pentana) and will include a risk register to identify, monitor and address

potential risks to the project and will identify specific measurable benefits in order that an assessment can be made of the relative success of the project following completion;

- Regular update reports will be presented to this Committee.

Resource Implications:

A full Development Appraisal will be required to be undertaken identifying the potential capital costs and revenue returns achievable through any preferred form of development. This will include the value of investment by other partners and reflect the risks involved. The estimated costs of the potential new leisure centre, dependent on the outcome of further site surveys, master planning, site specific location and facility mix, is estimated at between £16-£18 million. The current contracted arrangements with Places for People allow for the Council to lend the contractor capital, which is repaid through the management fee. This approach has been successfully applied in the construction of Waltham Abbey Swimming Pool. In order to undertake the Development Appraisal, Master planning, Programme Management and Technical Assessments in support of any Planning Application, it will be necessary to engage some external specialist consultancy expertise in addition to the input of the in-house project team. A budget allocation for Fees will be required. At this stage, soft market testing indicates that demolition costs are likely to be in the region of £225,000-£250,000. As such, it is proposed that the balance of the current budget allocated at £400,000 is used for the procurement of professional services subject to further reports. In the long-term the Council would seek to achieve both revenue savings on the Leisure Management Contract, increased asset value, Capital Receipts and revenue returns on the commercial elements of the scheme i.e. house sales, restaurants and cinema. A capital receipt will also be generated by the sale of the current Epping Sports Centre site. In the longer term, the Council would also benefit through the retention of Business Rates.

Legal and Governance Implications:

A new governance structure will be put in place around the management of the project in accordance with the Council's adopted project management systems. This will include regular reporting to the Asset Management and Economic Development Cabinet Committee. Some external legal support will be required with respect to the completion of development agreements and leases/licences to prospective future tenants.

Safer, Cleaner and Greener Implications:

The current St John's Road site is subject to anti-social behaviour. The new scheme will address this through producing a vibrant town centre leisure and retail venue. A considerable positive environmental impact could be achieved with additional public open space provided. A new leisure centre would be built to high energy efficiency standards.

Consultation Undertaken:

With shareholders and public as part of the Development and Design Brief. With the wider community through the Local Plan consultations at Regulation 18 and 19. Informal discussions with the Town Council and Places for People Leisure. By the Sports Consultancy with local members and users of the Epping Sports Centre.

Background Papers:

Development and Design Brief Previous Reports to Cabinet. Submission Version
2017 Local Plan

Risk Management:

The Council is not currently maximising the use of its landholding assets in St John's Road. Further reputational damage may incur, if the site remains vacant for a further extended period of time.

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 the consideration of this report. The equality information is provided at Appendix 1 to the report.