

Report to the Asset Management and Economic Development Cabinet Committee



Report reference: AMED-011-2018/19
Date of meeting: 18 April 2019

Portfolio: Commercial and Regulatory Services
Subject: St John's Road Development – Progress Report
Responsible Officer: D Macnab (01992 564050)
Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That Members note the general progress on the St John's Road redevelopment scheme.

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 decision to locate the new district Leisure Centre to the St John's Road site a report was made to Cabinet on 11th April which proposed a series of initial steps namely:
 - that formal negotiations are entered into with Places Leisure to vary the Leisure Management Contract for the development of a new Leisure Centre at the St John's Road Site, on a Design, Build, Operate and Manage basis;
 - that in order to construct the new Leisure Centre in the optimum location on the site, that the District Council enter into formal discussions with Epping Town Council to acquire Epping Hall, to include the potential relocation of the Town Council to 323 House at the Civic Offices;
 - that expressions of Interest are sought for suitable qualified Cinema operators to establish the viability of the conversion of the Centrepoint Building;

- that the Council adopt a similar approach as utilised in the development of the Epping Forest Shopping Park, namely that a specialist project team is appointed to procure the construction and letting of the units on the site;
 - that a future report be received on the most viable option to deliver the residential element of the project.
2. On the 21st April 2019 Members of the District Council met Members of the Town Council together with district officers and the Town Clerk. At that meeting the question of the relocation of the Town Council was discussed and that an in-principle decision to relocate (subject to terms) would be put to the Town Council Members on 9th April 2019.
 3. The needs analysis, research and consultation undertaken so far has recommended the following facility mix:

Core Facility Mix	Unit/Size
Main Pool	6 lane x 25m pool
Learner Pool	15m x 10m with moveable floor
Sauna & Steam Room	Sauna/steam room/spa
Sports Hall	4 courts
Health and Fitness Suite	120 stations
Spin Studio	1 x studio (64 sqm)
2 x Group Exercise Studio	160 and 250 sqm
Multi-purpose Community Room/Creche	70 sqm
Reception with Retail Area	Included
Café	145 sqm
Squash Courts	2 x courts
Soft Play	Included
Physiotherapy and Treatment Rooms	2 rooms
Car Parking	TBC*

4. In recent weeks a number of potential cinema operators have been contacted and have made site visits however to date no further contact has been made.

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.

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.