

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Asset Management and Economic Development Cabinet Committee **Date:** Thursday, 15 October 2015

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 9.05 pm

Members Present: Councillors A Grigg (Chairman), H Kane, S Stavrou, G Waller and D Stallan

Other Councillors: Councillors K Angold-Stephens, A Lion, C Whitbread and J M Whitehouse

Apologies: Councillor W Breare-Hall

Officers Present: D Macnab (Deputy Chief Executive and Director of Neighbourhoods), J Nolan (Assistant Director (Neighbourhood Services)), M Warr (Economic Development Officer), J Leither (Democratic Services Officer) and S Tautz (Democratic Services Manager)

Also in attendance: Oliver Fursdon (Savills)

9. WEBCASTING INTRODUCTION

The Chairman reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

10. SUBSTITUTE MEMBERS

The Cabinet Committee noted that Councillor D Stallan substituted for Councillor W Breare-Hall.

11. DECLARATIONS OF INTEREST

(a) Pursuant to the Council's Code of Member Conduct, Councillor C Whitbread declared a personal interest in agenda item 9, St John's Road Development by virtue of being a resident of Epping. The Councillor had determined that his interest was non-pecuniary and would remain in the meeting for the consideration of the issue.

(b) Pursuant to the Council's Code of Member Conduct, Councillor J M Whitehouse declared a personal interest in agenda item 9, St John's Road Development by virtue of being a member of Epping Town Council and a resident of St John's Road, Epping. The Councillor had determined that his interest was non-pecuniary but would leave the meeting if the discussion became too detailed.

12. MINUTES

RESOLVED:

That the minutes of the meeting held on 9 July 2015 be taken as read and signed by the Chairman as a correct record.

13. ECONOMIC DEVELOPMENT TEAM PROGRESS REPORT

The Economic Development Officer presented a report to the Cabinet Committee and updated them on a number of projects and issues being explored by the Economic Development Team.

(1) **Business Support / Growth Hub** – SELEP funded the business support website and face to face business support enterprise that had been put together based on the Southend Growth Hub model that previously existed. Although the website was now active, the official launch will be on the 21 October 2015. A contractor had been appointed, Colbea and they will undertake the face to face element of the business support enterprise.

(2) **Town Centres** – Officers of the Economic Development Team had recently been to a meeting of the District and Town Centres teams. These were quarterly updates with the partnerships on their ongoing projects under the Town and Village Centres Opportunities Fund. A guest speaker from the Braintree Town Team was invited to talk about the experiences of the Braintree Town Team and had given our town partnerships some inspiration and ideas to take forward new initiatives into their towns and enable them to bid for the new Town and Village Centres Opportunities Fund.

We have also met with representatives from Buckhurst Hill and Loughton High Road town partnerships to establish what issues they were facing and to give some input and advice regarding what would work in their towns. We have been actively engaging with representatives from Waltham Abbey Town Partnership on a bid to the Essex County Council Community Initiatives Fund in respect of developing a wayfinding project in the town which was originally an expressions of interest but they have now invited us to make a full application. This had now been submitted and we should hear in November 2015 the outcome of that bid.

(3) **Superfast Broadband** – There had been some minor delays in making sure that the rollout went to the most effective parts of the rural challenge area that need it. This evening the very first community event is taking place in Moreton Village Hall which would be the start of the community engagement for the delivery of the project in Moreton, Bobbingworth and the Bovinger area and should go live in the new year. The next community event was scheduled for November 2015 in Fyfield.

(4) **Business Briefing** – The Economic Development team were pleased with how the new Business Briefing had developed. There had been a total redesign to give the Business Briefing a new look and feel. The latest edition, published last week, had been emailed out in pdf format to just under 700 contacts and was building. The Business Briefing had been very positively received by the public and there were also around 800 downloads from the website and new business enquiries were being received by the Economic Development team.

(5) **Partner Liaison** – The Partner Liaison project had been a key to the Economic Development team reaching out and contacting more Partners. One of the Partners that we have liaised with recently and are very keen to support us was

Loughton Library. They are attempting to make the Library more self sufficient and would be running two projects in November - one a Public Office which would encourage new and start up businesses to consider starting some of their work from the Library. There will be desk space provided for them and with people at the same stage in their businesses this would enable them to bounce ideas off each other. The second project was an Ideas Incubator where the Library would be used to encourage people with ideas for social enterprises.

Resolved:

That the progress and work programme of the Council's Economic Development Section be noted.

Reasons for Decision:

To appraise the Committee on the progress made with regard to Economic Development issues.

Other Options Consider and Rejected:

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

14. ASSET MANAGEMENT CO-ORDINATION GROUP REPORT

The Director of Neighbourhoods presented a report to the Cabinet Committee and updated them on further progress which had been achieved since the publication of the Agenda.

(1) **Epping Forest Shopping Park** – The Cabinet received regular monitoring reports on the progress of the development of the Epping Forest Shopping Park. The latest report was considered by the Cabinet on the 8 October 2015. The most significant development with respect to the project was with regard to the tenders for the Highways Section 278 Works and the main construction project for the retail units. A separate report was contained within this agenda regarding a request by Cabinet for the Asset Management Committee to undertake more detailed project monitoring with a proposal as to how this could be practically achieved.

(2) **Oakwood Hill Depot** – A contractor had now been appointed and ground works had started on the construction of the Council's new Depot at Oakwood Hill to accommodate Grounds maintenance and Fleet Operations. It was anticipated that the steel frame for the building would start to be erected in the next 4-6 weeks with the expected completion in April 2016.

(3) **Ongar Academy** – The new secondary school opened for the first intake of Year Seven Pupils in September. Temporary classroom accommodation had been provided on redundant tennis courts to the rear of the Leisure Centre under Licence from the Council. Pre-application discussions had commenced on the new permanent school. Heads of Terms had been agreed for the sale of the playing fields to accommodate the new school, subject to planning consent being agreed.

(4) **Winston Churchill Public House** – The Cabinet were notified that Higgins Homes were the development partner for the site of the former public house. Work for the flats and the retail area had now begun.

(5) **Pyrles Lane Nursery** – A revised application had been submitted for planning approval on the site, which sought to address the previous grounds for

refusal. Following the necessary period of consultation, it was predicted that the matter would be considered by the District Development Management Committee in December 2015.

(6) **Town Mead Depot** – Further to advice received from the Environment Agency and the Council's Development Service it was confirmed that the site was highly unlikely to progress for residential development due to flood risk. Alternative uses may therefore need to be considered.

(7) **North Weald Airfield** – Essex County Council (ECC) undertook to do a report, based on their experience across the county, regarding a Park & Ride Scheme for the Airfield. To date we have not received any formal written report but ECC have verbally expressed that in their opinion a Park & Ride Scheme at North Weald Airfield would not be economic or viable. The Director of Neighbourhoods advised that he had a meeting with Essex County Council this week and that he would ask for a written report and a timescale when we could expect to receive this report. He advised, however, that a formal report may have to be commissioned.

Since the tragic events that had recently occurred at Shoreham, the dynamics of air shows had now significantly changed. Some of the changes that the CAA have implemented was that vintage aircraft were only allowed to do fly byes and that air shows would not be allowed near the vicinity of any major roads. Therefore this project may have to be revisited at a later stage.

There was a separate report before this Cabinet Committee at agenda item 10.

(8) **St John's Road** – There was a separate report before this Cabinet Committee at agenda item 9.

(9) **Hillhouse Leisure / Community Hub** – The Business Case and Procurement Strategy for the next Leisure Management Contract, which included a potential replacement for Waltham Abbey Swimming Pool at Hillhouse, had been agreed by the Cabinet Committee on the 8 October 2015.

There was the potential for a co-location of a GP service, a replacement leisure facility for Waltham Abbey swimming pool and an extra care housing project for the elderly being promoted by Essex County Council. This would be going out to the market within the next month inviting Leisure Management Contractors to bring forward outline schemes for a new leisure facility located on this site.

Resolved:

(1) That the monitoring report on the development of the Council's property assets be noted.

(2) That the Director of Neighbourhoods would request from Essex County Council the report that they were preparing on the Park and Ride Scheme at North Weald Airfield.

Reasons for Decision:

To comply with the Cabinet Committee's previous request to monitor the development of the Council's property assets on a regular basis.

Other Options Considered and Rejected:

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

15. EPPING FOREST SHOPPING PARK - MONITORING ARRANGEMENTS

The Director of Neighbourhoods presented a report to the Cabinet Committee regarding the future monitoring arrangements for the development of the Epping Forest Shopping Park (EFSP).

The Cabinet have received regular high level progress reports on the EFSP project. The Council had acquired the sole interest in the EFSP and the Council would now carry all the risks associated with the development of the EFSP. As it was a major capital project and the Council would be utilising public money, therefore robust monitoring arrangements must be put in place.

For some time now there had been a Consultant project team steering this project and the Council have appointed White, Young and Green to undertake a project management role and to work together with the Consultants and Officers of the Council to produce regular progress reports. Cabinet have asked if the Asset Management and Economic Development Cabinet Committee would take on the monitoring role of this project on the Council's behalf.

The way this would be achieved:

- (1) The Asset Management and Economic Development Cabinet Committee meet five times a year and would report back to Cabinet through their regular monitoring reports.
- (2) White Young & Green be asked to prepare a bespoke report for this Cabinet Committee, advising of the risk management and the programme costs for this project and be invited to a Cabinet Committee meeting to present the report.
- (3) The letting agents, Colliers would prepare a report on the interested tenants and answer any questions regarding the letting and management of the project. Colliers would be invited to attend a Cabinet Committee to present this report.

The Director of Neighbourhoods asked the Chairman and Members of the Cabinet Committee if they thought this was the correct way to approach the monitoring of this project and were they agreeable to this proposal.

The Chairman put it to the Members of the Cabinet Committee and they unanimously agreed that this was the correct venue for this project to be monitored.

Resolved:

Subject to the outcome of the decision of Cabinet on the 8 October, proposing that the Asset Management Cabinet Committee undertake more detailed monitoring of the development of the Epping Forest Shopping Park Project and consideration by the Cabinet Committee of how this could be practically achieved. Members agreed that the Asset Management and Economic Development Cabinet Committee would take on the monitoring role of the Epping Forest Shopping Park on the Council's behalf.

Reasons for Decision:

The Council having acquired the interest of their development partner Polofind Ltd, was now the owner, developer and future operator of the Epping Forest Shopping Park. The project represents a major capital investment with an associated element of risk. Cabinet are considering on the 8 October 2015, whether the Asset Management Cabinet Committee have a role to play in ensuring the project was monitored effectively.

Other Options Consider and Rejected:

To advise Cabinet that the Asset Management Cabinet Committee do not consider it appropriate to undertake the monitoring of the project.

16. ST. JOHN'S ROAD DEVELOPMENT - UPDATE

The Director of Neighbourhoods presented a report to the Cabinet Committee updating them on the progress to date on the St John's Road development. He advised that concerns had been raised by Members and local residents, regarding the lack of progress on this scheme.

The Director advised that the St John's Road site was in a key town centre location within Epping. The site was owned by Essex County Council, the majority landowner, Epping Town Council and Epping Forest District Council owning adjacent land. With the relocation of the junior school and closure of the Adult Education and Youth Centres on the site, it was recognised that any redevelopment of the area would need to be given careful consideration.

In conjunction with the County Council and the Town Council, the District Council commissioned a Design and Development Brief for the area, to provide planning guidance. The Design and Development Brief was intended to provide a vision for the future of the area and once agreed by the Councils' Cabinet and Full Council, would represent non statutory planning guidance. The Development Brief had now been formally agreed by the District Council and had become a material consideration for any future planning application for the sites and forms part of the evidence base for the new Local Plan.

A joint marketing campaign was undertaken and a number of Expressions of Interest and bids were received which resulted in the appointment of Frontier Estates whose proposal was deemed to not be financially advantageous but to meet the designs and aspirations of the development brief. Their proposal contained a food store, a 3 screen cinema, shops and restaurants as well as some residential units.

At the time of discussions regarding the contract for sale of Essex County Council's land at St John's Road, a need for provision to meet the accommodation needs of vulnerable adults was identified in the locality. The Council was the freehold owner of Lindsay House in Lindsey Street, Epping, which had previously been leased to the Abbeyfields Society for housing the elderly. As demand for this type of bedsit accommodation reduced, the Charity did not wish to extend its occupancy. Therefore, after negotiations with the Diocese around the extension of the covenants, Essex County Council expressed a desire to purchase the building and convert it for use for supported living for vulnerable adults. The purchase of Lindsay House, therefore, became part of the negotiations with the District Council acquiring the County Council land at St John's Road. A sale price had now been agreed between the County and District Council. However, as Essex County Council were selling the land to another public body, i.e. EFDC, they have sought the Secretary of State's

approval, by means of a State Aid application. A concern that prompted the application was that the County Council had received a higher unsolicited offer from a residential care home provider. Whilst of higher value, a large care home would not be in accordance with the Design and Development brief prepared by the planning authority and would not deliver the wider community benefits.

Unfortunately, the extension of the Lindsay House covenant, the detailed negotiations around conditions of sale and the necessary State Aid application, have led to the delay. However, it was hoped that the sale can be concluded and the tripartite agreement entered into in the next few weeks. Going forward it would then be for the developer to submit the necessary Planning application anticipated early in the New Year.

Resolved:

That Members note the progress on the St John's Road, Epping, Redevelopment Project.

Reasons for Decision:

To update Members on the progress of the St John's Road Redevelopment Scheme, which was a major strategic site in Epping, with the potential to deliver significant community benefits.

Other Options Considered and Rejected:

Not to provide an update at this point.

17. RESULTS OF MARKETING EXERCISE FOR AN OPERATING PARTNER FOR NORTH WEALD AIRFIELD

The Director of Neighbourhoods presented a report to the Cabinet Committee regarding the results of a Marketing Exercise for an Operating Partner at North Weald Airfield. The Director introduced Mr O Fursdon, a director from Savills, who were the Council's Agents. Savills had been commissioned by the Council to undertake an Expressions of Interest soft marketing operation at North Weald Airfield. Mr Fursdon would be presenting the Expressions of Interest received when the meeting went into private session.

The Director advised that the Council had over time, commissioned a number of studies in relation to the future of North Weald Airfield. As a result of the most recent review, undertaken by Deloitte's in July 2013, Cabinet resolved that the preferred option was that the Council pursued a mixed aviation/development option, subject to the outcome of the Local Plan. As part of this consideration of the future of the Airfield, Members also requested that pro-active steps be taken to maximise aviation activity on the site. The Cabinet agreed to seek an operational partner to promote aviation and the associated uses and officers were asked to appoint marketing agents.

Since the Council acquired North Weald Airfield from the Ministry of Defence, a number of general aviation, commercial and leisure uses have been developed on the site. However, these have largely been as a result of incremental organic growth and not as a result of any clear strategic policy direction. As an asset of considerable value and potential, the Council had commissioned a number of reports, in order to assist in determining the best future for the site. The most recent piece of significant strategic review work was undertaken by Deloitte. The Cabinet considered the

conclusions of the Deloitte Study in July 2013 and concluded that aviation should be retained and that the residual of the site should be promoted for mixed use development, as part of the Council's Local Plan. To inform the Local Plan a Masterplanning Exercise was undertaken for North Weald Bassett, which now forms part of the evidence base.

Having determined that aviation should be retained in the longer term, Members asked that pro-active steps be taken to maximise the aviation use of the site. This was not only to make best use of the asset but recognised that aviation activity currently required a degree of subsidy. Therefore increased revenue was required to offset the Council's costs in maintaining the considerable amount of infrastructure and staffing resource, required to operate flying safely.

In order to take this objective forward, Property Consultants Savills were appointed to undertake a soft marketing exercise, to obtain the views of companies operating in the aviation industry. This exercise indicated that there was a level of interest in North Weald Airfield and concluded that some form of operational management agreement would be the most attractive offer. This was reported to the Cabinet in July 2014, who agreed that as a result of this finding, a more formal marketing offer should be developed.

The Council's Consultants, Savills, prepared a marketing brochure which was advertised within the Aviation Trade Press, seeking more formal expressions of interest. This brought forward a number of interested parties. Two days of well attended Airfield site visits were held, in order to provide the opportunity for potential bidders to understand in greater detail the condition of the site, how it was currently managed and the current mix of tenants and uses.

A closing date for Expression of Interest was set, which resulted in three bidders submitting formal proposals. After the closing date, a further expression of interest was received on behalf of an existing tenant at the Airfield. Subsequent clarification now indicates that the tenant was not necessarily interested in entering into any agreement for the wider management of the Airfield, but would like to work with any potential future operational partner appointed by the Council.

The three parties who expressed an interest, were asked to provide details of their Company Structure, their Skills and Experience, their Financial Standing and their Vision for the Airfield.

These proposals have been analysed. Each party had also been interviewed by Savills and Officers, in order to seek clarification and a greater level of understanding of their submissions.

This marketing exercise was not a formal procurement process, the proposals contain information that was commercially sensitive and contain details of business planning and financial modelling, that each party would not wish to be shared in public. This was particularly true as they have expressed a desire, to be included in any future formal procurement process. On this basis, the three proposals will be presented to Members by the Council's Consultants in Part II of the Committee Agenda.

Members will therefore have the opportunity to assess the merits of each proposal and seek to identify, not necessarily a preferred aviation partner at this point from the current bidders (as this had not been a formal procurement in line with OEJU regulations) but rather a preferred general approach and potential next steps, to recommend to Cabinet.

Resolved:

(1) That the Cabinet Committee considers the Expression of Interest proposals, resulting from the marketing exercise seeking an aviation operational partner.

(2) That based on consideration of the proposals, the Cabinet Committee recommends to a future Cabinet meeting, any preferred approach and recommended next steps, to achieving the Council's objectives in relation to aviation activity at North Weald Airfield.

Reasons for Decision:

In accordance with the original Cabinet request to seek to maximise aviation activity at North Weald Airfield.

Other Options Considered and Rejected:

Alternative approaches that could be considered are to seek to improve the use of the Airfield utilising solely in-house expertise or to dispose of the Airfield, which would mean less future direct control for the Council.

18. ANY OTHER BUSINESS

The Cabinet Committee noted that there was no other urgent business for consideration.

19. EXCLUSION OF PUBLIC AND PRESS**Resolved:**

That the public and press be excluded from the meeting for the items of business set out below on the grounds that they would involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972:

<u>Agenda Item No.</u>	<u>Subject</u>	<u>Exempt Information Paragraph Number</u>
13	Presentation on Expressions of Interest for North Weald Airfield	3

20. PRESENTATION ON EXPRESSIONS OF INTEREST FOR NORTH WEALD AIRFIELD OPERATING PARTNER

The Director of Neighbourhoods advised Members that this meeting would now go into private session and advised that Mr Fursdon would now give his presentation of the Expressions of Interest received.

Mr Fursdon advised that there had been three expressions of interest received, from companies covering a broad range of interests within the world of aviation. He advised that the written proposals had been evaluated and informal interviews held with each party to gain further understanding of their skills and experience, financial standing and their vision for the Airfield.

The Director of Neighbourhoods stated that it was apparent that each company would bring different perspectives and propose different types of future management arrangements and investment options. It would be the decision of the Asset Management and Economic Development Cabinet Committee to recommend to the Cabinet what type of approach they feel would best meet the Council's objectives, with respect to aviation intensification and the reduction of subsidy for flying activities.

At this time, the Cabinet Committee would not be recommending a preferred partner from the three proposals received. This was because the marketing exercise was only "soft market-tested" and therefore not conducted in accordance with the more formal procurement regulations that would apply if the Council (as a public body) were seeking to enter into any longer-term contractual arrangement. However, what the marketing exercise had established was the level of interest in the opportunity, the types of operator and the terms that they would be seeking.

Resolved:

That in assessing the Expressions of Interest received as a result of the marketing exercise for an operational partner. Members be cognisant of a number of key considerations which may influence procurement options.

Recommended:

- (1) That a long lease be granted;
- (2) That the non-aviation area be excluded;
- (3) That the Council may wish to invest in this project; and
- (3) That the new Partner would manage all existing tenants.

Reasons for Decision:

To assist Members in identifying key considerations from the presentation of Expressions of Interest.

Other Options Consider and Rejected:

To not proceed with the appointment of an operational partner and maintain the current management arrangements.

CHAIRMAN