

Report to the Cabinet

Report reference: C-017-2012/13
Date of meeting: 10 September 2012



**Epping Forest
District Council**

Portfolio: Asset Management and Economic Development

Subject: Langston Road Retail Park Planning Fees

Responsible Officer: Chris Pasterfield (01992 564124)

Democratic Services Officer: Gary Woodhall (01992 564470)

Decisions Required:

(1) That, in order to pay the Council's 50% share of additional fees relating to the planning application for a new retail park at Langston Road, a supplementary District Development Fund estimate in the sum of £52,800 be recommended to the Council for approval.

Executive Summary:

The Council agreed in July 2010 to enter into negotiations with Polofind Ltd to jointly develop a retail park at Langston Road in Loughton. Planning approval was given in February 2012, subject to a Section 106 agreement which was completed in July 2012.

The Council entered into an agreement with Polofind Ltd to pay half of the total fees and disbursements incurred for the planning application, and had already paid £79,455 + VAT so far. However, the planning process had taken longer than expected and had incurred additional fees. Therefore, the Council now owed Polofind Ltd a further £44,000 + VAT, as part of the agreement.

Reasons for Proposed Decision:

To comply with the agreement with Polofind Ltd

Other Options for Action:

To break the agreement with Polofind Ltd

Report:

1. Approval was given at the Cabinet on 19 July 2010 to enter into negotiations with Polofind Ltd to jointly develop a retail park of approximately 10,000 sq m. Approval was also given to meet half of the cost of a planning application, subject to Essex Highways indicating that this would be acceptable and the upgrading of Chigwell Lane, based upon a traffic impact study and modelling prepared by JMP Consultants Ltd. Total cost was estimated at £158,910 + VAT plus disbursements to be divided between Polofind Ltd and the Council..

2. A planning application was subsequently made in December 2010 but this was not approved until the District Development Control Committee meeting in February 2012,

subject to a Section 106 Agreement which was largely detailing highways works estimated at £1,700,000. The Section 106 Agreement was completed in July 2012.

3. The time taken to assess the planning application was far in excess of that anticipated and this was largely due to the complexity of the model required by Essex Highways' consultant Mouchel. The additional fees incurred were largely due to the work carried out by JMP Consulting Ltd but also included the planning consultants Wolf Bond Planning and Nathaniel Lichfield & Partners. Total fees expended were £246,950.86 + VAT but including disbursements.

4. The Council have paid 50% of £158,910 + vat to date and therefore owe Polofind Ltd £44,000 + VAT to cover the shortfall and half of the disbursements.

5. The obtaining of planning approval to develop the Langston Road depot has in theory provided a large increase in the book value of this asset assuming that a development agreement can be agreed with the adjoining owners. The current book value of the site is £1,548,000 (approximately £500,000 per acre) and the obtaining of planning approval for a retail park will show a substantial increase in this value. This will be subject to the cost of relocating the existing services.

6. At this stage negotiations with Polofind Ltd are ongoing regarding the development of the two sites but it is not clear in which direction they are heading. Once negotiations have reached a more advanced stage then a further report will be submitted to Council for consideration.

Resource Implications:

Additional £44,000 + VAT required.

Legal and Governance Implications:

Breaking agreement with Polofind Ltd would have legal implications.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

Regular reports given to Asset Management Co-ordination Group.

Background Papers:

None.

Impact Assessments:

Risk Management

Abortive costs if retail park development not progressed.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?

No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?

N/A

What equality implications were identified through the Equality Impact Assessment process?
None at this time.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A.