

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



**Epping Forest  
District Council**

**Report reference: AMED-005-2015/16**

**Date of meeting: 15 October 2015**

**Portfolio: Asset Management and Economic Development**

**Subject: Future Monitoring Arrangements for the Development of the Epping Forest Shopping Park**

**Responsible Officer: Derek Macnab (01992 564050)**

**Democratic Services: Jackie Leither (01992 564756)**

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**Recommendations/Decisions Required:**

- (1) 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, that the Cabinet Committee considers how this could be practically achieved.**

**Executive Summary:**

The Cabinet has been receiving regular high level progress reports on the Epping Forest Shopping Park Project. Now that the Council has acquired sole ownership and will be investing significant resources on the construction of the Park, Cabinet are considering the role that the Asset Management Cabinet Committee may play in undertaking more detailed monitoring of the project. This report considers how this may be achieved.

**Reasons for Proposed Decision:**

The Council having acquired the interest of their development partner Polofind Ltd, is 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 is monitored effectively.

**Other Options for Action:**

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

**Report:**

- Members will be aware that the Council has made arrangements for the relocation of a number of services from its main depot at Langston Road, Loughton, to facilitate the development of a shopping park. The project arises from the Council's general policy intention of investing capital, in order to obtain a revenue return. The shopping park project has considerable potential to achieve this financial objective, as well as providing a significant

boost to the local economy, helping to retain retail spend in the District, as well as generating a substantial number of jobs for local people.

2. Originally working in collaboration with the adjacent land-owner, Polofind Ltd, the Epping Forest Shopping Park obtained the necessary planning consents, to allow a primarily fashion retail proposal to be brought forward. In addition to the construction of the retail park itself, there is a significant programme of associated Highways works required under a Section 278 Agreement to facilitate the scheme. These highways improvements have the potential to make a positive contribution to the alleviation of congestion in this part of the District.
3. Whilst it was the intention to form a special purpose vehicle with the Council's development partner, to jointly deliver the project, it became apparent that the respective parties may have different long-term objectives with respect to the project. As such, the Council offered to purchase Polofind's interest in the development, which after extensive negotiation, based on a comprehensive development appraisal, successfully concluded in a sale price being mutually agreed. This was formally endorsed by the Full Council in June 2015.
4. From the inception of the Shopping Park Development, external consultants' advice has been obtained, with respect to the various technical roles and responsibilities involved in managing a project of this scale and complexity. These consultants have been working collaboratively in a Project Team, with co-ordination provided by a specialist project manager from White Young and Green. A number of the consultants were originally engaged by Polofind. However, all costs have been split evenly up until the time that the Council acquired the sole interest. The Council's external solicitors, DAC Beachcroft have been transferring the consultant's appointments to the Council. A number of the revised contracts are now completed, with the remainder to be concluded by the end of October 2015.
5. Whilst Council officers and the consultant project team are working effectively together, given the importance of the success of the project to the Council and the sums of expenditure involved, appropriate governance arrangements need to be in place. This is to oversee the imminent construction phase of the retail park and to mitigate risk. To date, Cabinet have received reports on general progress and key decisions have been taken by both the Cabinet and Council. Going forward, the Cabinet are considering a proposal on the 8 October 2015, that the Asset Management and Economic Development Cabinet Committee take responsibility for more detailed monitoring of the scheme.
6. To achieve this higher level of scrutiny, the following is proposed, namely
  - (i) Given that the Council has engaged specialist Project Managers to co-ordinate the work of the professional consultant project team, (producing programme reports and risk management assessments for the project), White Young and Green be asked to prepare and present a monitoring report to each cycle of the Asset Management Cabinet Committee. This would not only allow Members to be able to establish a more detailed understanding of the programme and cost profile of the project at regular intervals, but allow direct explanation of any potential areas of concern.
  - (ii) In addition to the above course of action, which will provide advice to Members on the construction of the Shopping Park, it is also recommended that Colliers, who have been engaged to undertake both the preparation of the initial development appraisals and subsequent marketing and letting of the Shopping Park, are also asked to attend. Members have previously indicated an interest in the types of tenants that will occupy the retail units and the terms on which they will occupy. The level of interest to date indicates that the Council's aspirations to achieve a good level of pre-let in advance of the main construction contract being formally awarded, will be achieved. However, as the tenant mix and terms are central to the overall success of the retail park and the

Council's return on its investment, it is considered important that members have the opportunity to receive direct updates.

- (iii) On the basis of the proposed monitoring reports will be received from the lead consultants, the regular high level monitoring reports that the Cabinet will continue to receive on an ongoing basis, can therefore be supplemented by input from the Cabinet Committee, particularly with regard to any issue that they consider presents a risk to the project.

7. Members of the Asset Management Cabinet Committee are asked to consider this recommended approach and if accepted request that reports be prepared and presented by the lead consultants, to their next meeting on the 10 December 2015.

### **Resource Implications:**

Funding for the retail park has been agreed in accordance with the development appraisal considered by the Extraordinary Council Meeting in June 2015. The Council's lead consultant's appointments allow for attendance at evening meetings at an agreed rate, which can be accommodated within existing budgets.

### **Legal and Governance Implications:**

The Council has engaged legal advisors to support the procurement process. Although Cabinet will continue to receive regular progress reports, it is proposed that the Asset Management Cabinet Committee take on the role of more detailed scrutiny of the project to ensure that good governance continues to be achieved.

### **Safer Cleaner Greener Implications**

Highways improvements will reduce congestion and emissions. Security at the shopping park will involve the use of ANPR and CCTV.

### **Consultation Undertaken**

Essex County Council Highways.

### **Background Papers**

Report to the Cabinet 8 October 2015

Report to Cabinet 20 July 2015

Report to Council 23 June 2015

### **Impact Assessments**

### **Risk Assessment**

The project is subject to constant risk management with a formal Risk Assessment Register reviewed regularly at Project Team meetings. This risk report will be shared with the Cabinet Committee if the proposed way forward is agreed.

# Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

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None as this is a monitoring report only.