

Report to the Council

Committee: Cabinet

Date: 26 September 2013

Portfolio Holder: Councillor A Grigg (Asset Management and Economic Development))

SUPPLEMENTARY CAPITAL ESTIMATES – LANGSTON ROAD DEPOT, LOUGHTON AND SITE OF SIR WINSTON CHURCHILL PUBLIC HOUSE, THE BROADWAY, LOUGHTON

Recommending:

- (1) That a supplementary capital estimate of £20,000 in 2013/14 be approved for the installation of new CCTV systems at the Langston Road Depot, Loughton; and**
 - (2) That a supplementary capital estimate of £75,000 in 2013/14 be approved in order to instruct external solicitors to prepare and negotiate a development agreement for the site of the Sir Winston Churchill Public House, The Broadway, Loughton.**
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Langston Road Depot

1. The Council owns Langston Road Depot, Loughton and uses it for various front line services: waste and recycling, grounds maintenance, fleet operations including MOT service and museum storage. In addition, the Council's waste and recycling contractor, Sita, occupies part of the site under a licence agreement.
2. Maintenance of the fabric of the depot buildings and associated assets is the responsibility of the Council. This includes provision of CCTV systems. These systems are old and somewhat unreliable, and are difficult to maintain and repair.
3. At present the Council's CCTV systems are being supplemented by equipment loaned from Essex Police but this is a temporary arrangement which cannot be sustained.
4. In view of the proposed development of the depot site as a retail park, investment in the depot in recent years has been restricted. However, it is now apparent that the depot is likely to remain operational until 2016. In the light of this timescale we have considered the replacement of the existing CCTV systems on the site.
5. Replacing the existing systems with modern, Code of Practice compliant systems across the entire site is estimated to cost £15,000.

6. We have been assured that it will be possible to remove most of the new equipment for reuse at a new depot, when it becomes available. This includes CCTV cameras, recording equipment, external fittings and fixtures and some of the cabling.
7. However, some of the infrastructure will not be transferrable and there will be costs associated with leaving it on-site. There will also be costs associated with the removal and reinstatement of the equipment. These costs are estimated at £5,000.
8. There is an on-going revenue budget allocation that will be used to monitor and maintain the new systems, both at the existing depot and the new depot.
9. In view of the benefits of new systems and the fact that most of the new equipment can be reused at a new depot we recommend as set out at the commencement of this report.

Site of Sir Winston Churchill Public House, The Broadway, Loughton

10. In August 2008, the Council approved the Debden Town Centre and Broadway Development Options Brief. The Brief identifies the present vision and key developments to regenerate the area. The Sir Winston Churchill Public House site, the freehold of which is owned by the Council, is identified as a landmark site in a key gateway location to The Broadway.
11. The Public House site is let by the Council to the Spirit Pub Company on an 80 year lease from September 1955, leaving a current unexpired term of about 22 years.
12. In the current economic climate, part of the Council's financial strategy is to maximise the value of its property assets to generate additional revenue income.
13. CK Property Investments Ltd, a property development company, has entered into an option agreement with Spirit Pub Company to redevelop the site, subject to agreement with the Council and obtaining planning permission. The developer will need to submit a planning application which will be considered in accordance with normal procedures.
14. CK Property Investments Ltd has proposed a development which envisages a replacement public house and two retail units on the ground floor with 64 residential units above. Car parking would be rented to flat leaseholders on Council owned land currently used for lock up garages and parking. Income from the rental would be retained by the Council.
15. In addition a Housing Association has expressed interest in redeveloping the lock up garage site with ground floor car parking and 14 social housing units above.

16. We have considered and agreed Heads of Terms proposed following negotiations between the Council's agents, Latham High Chartered Surveyors and CK Property Investments Ltd. The Heads of Terms are the main principles on which a development agreement will be based covering issues such as finance, the respective parties' responsibilities and the length of the agreement.
17. We have been advised that although the skill set required to provide the necessary legal advice and to negotiate the development agreement is available within the in-house Legal Section, the spare capacity to undertake the work is not. Accordingly, we are of the opinion that external legal resources will be required to deliver this proposal within the required timescales.
18. There is no budget provision for such external legal support. The work will be subject to competitive quotation from suitably qualified and experienced practices and until quotations are received the precise cost is not known. However, we do not expect this to exceed £75,000 and we are seeking a supplementary capital estimate for this amount.
19. We recommend as set out at the commencement of this report.