

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Asset Management and Economic Development Cabinet Committee **Date:** Monday, 14 July 2014

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 8.45 pm

Members Present: Councillors Mrs A Grigg (Chairman), W Breare-Hall, Ms H Kane and Ms S Stavrou

Other Councillors: Councillors K Angold-Stephens, D Stallan and J M Whitehouse

Apologies: Councillor C Whitbread

Officers Present: D Macnab (Director of Neighbourhoods), J Nolan (Assistant Director (Neighbourhood Services)), C Pasterfield (Chief Estates & Valuation Officer), M Warr (Performance Improvement Officer), D Goodey (General Manager North Weald Airfield), J Leither (Democratic Services Assistant) and G J Woodhall (Democratic Services Officer)

1. 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.

2. DECLARATIONS OF INTEREST

(1) Pursuant to the Council's Code of Member Conduct, Councillor H Kane declared a personal interest in agenda item 6, Economic Development Progress Report, items 3 and 4 by virtue of being the Chairman of the Town Centre Partnership and a Ward Member and agenda item 7, Asset Management Co-ordination Group Report, item 11, Town Mead Depot by virtue of being a Ward Member. The Councillor had determined that her interest was non-pecuniary and would remain in the meeting for the consideration of the issue.

(2) Pursuant to the Council's Code of Member Conduct, Councillor S Stavrou declared a personal interest in agenda items 6, Economic Development Progress Report, items 3 and 4 and agenda item 7, Asset Management Co-ordination Group Report, item 11, Town Mead Depot by virtue of being a member of the Waltham Abbey Town Council. The Councillor had determined that her interest was non-pecuniary and would remain in the meeting for the consideration of the issue.

(3) Pursuant to the Council's Code of Member Conduct, Councillor W Breare-Hall declared a personal interest in agenda item 7, Asset Management Co-ordination Group Report, item 4, St John's Road by virtue of being a member of Epping Town Council and 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.

(4) Pursuant to the Council's Code of Member Conduct, Councillor J Whitehouse declared a personal interest in agenda item 7, Asset Management Co-ordination Group Report, item 4, St John's Road by virtue of being a member of Epping Town Council and 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.

3. MINUTES

Resolved:

(1) That the minutes of the meeting held on 10 April 2014 be taken as read and signed by the Chairman as a correct record.

4. NORTH WEALD AIRFIELD INCOME GENERATION PLANS

The North Weald Airfield (NWA) Manager presented a report to the Cabinet Committee regarding plans to generate income at North Weald Airfield.

The Airfield Manager reported on an event that had already taken place, the use of the Airfield as a parking venue for Le Tour de France. He advised that there had been 240 cars parked at NWA on the day raising an amount of £2,400.

He advised the Cabinet Committee of ideas that he had been looking at in order to generate more income at the Airfield.

(1) Introduction of Landing Fees

There are no landing fees charged for visiting aircraft that land at North Weald Airfield. The current arrangement was that each tenant on the airfield had a number of movements allocated to a runway licence, visiting aircraft tended to visit historically and North Weald Flying Services collected the landing fee in the guise of it being a donation or a day membership to the club. There have been ongoing discussions with the Squadron and the Council's Estates department with the view that the Council should be collecting those fees. An implementation plan of how it could work had been devised and had highlighted that there would be a capital outlay of approximately £11,000 for initial setting up costs. There were ongoing arrangements being put into place with a view to the Council collecting 100% of the landing fees and this was hoped to be implemented from April 2015.

(2) Promote use of Control Tower as a meeting venue

The Control Tower had two rooms which were suitable for small events, meetings, and a training venue the Hunter Room and the Hurricane Room. Last year a total of £6,000 rental income was generated from hiring out these rooms. Marketing material had been produced and was being advertised at outlets in the area and was also being promoted via the website and social media to attract new bookings.

(3) Promote North Weald as a major events venue

There were not many weekends available for rental this year as there were a number of traditional events that had been running for many years, an example being Wings and Wheels which had held an annual event at the Airfield for over 25 years. Event organisers had been identified and contacted but there had not been much interest as they were predominantly interested in whole weekend events and not one day events. Whole weekend events were not possible due to the market being in

operation on a Saturday. Although the market had decreased dramatically over the last 4 to 5 years and there were now only half the amount of stalls that there used to be, the market still attracted between 5,000 and 8,000 visitors each week.

(4) Additional aircraft parking / hangars

We had identified additional areas for parking and hangars at the Airfield. The problem that had been highlighted was with the lease terms that were available, they were not found to be very favourable as we could only offer a lease until the end of 2018. Businesses were not wanting to invest in infrastructure and laying concrete bases for such a short lease term as they wanted the security of a 10-15 year lease. There would be a need to extend the lease period as the initial outlay for the lessee would far outweigh the income that would be generated and therefore would not attract hirers.

(5) Introduce Private Pilots License (PPL) training

A training provider had contacted the Council and put forward some proposals which from an operational point of view could work. We would need to look more closely into the proposals as it would need strict control.

Questions

(a) The Housing Portfolio Holder asked the Airfield Manager if he could look into the possibility of relocating the Market so that NWA could hold major events?

The Airfield Manager advised that they could look at relocating the market but the market attracted between 5,000 and 8,000 people each week and although the market had reduced in size there were 150 to 160 stalls each week.

(b) The Housing Portfolio Holder asked how much business, if any, had arisen from the North Weald Airfield facebook page?

The Airfield Manager said he did not have the information to hand and would look at the facebook statistics and report back to Members in the Bulletin.

(c) The Environment Portfolio Holder asked with the introduction of landing fees, what impact did the Airfield Manager think those landing fees might have on the number of aircraft that would use the airfield in the future and what was the projected budget income against the costs associated with implementing the plan?

He also asked the Airfield Manager if he thought aircraft landing at NWA would diminish with the introduction of landing fees?

The Airfield Manager advised that there were approximately 1800 landings per year which would equate to approximately £25,000 income. He envisaged the initial set up costs to be around £11,000 and thereafter £2,000 to £3,000 running costs per year.

The Airfield Manager did not think aircraft landing numbers would decrease with the introduction of landing fees.

(d) The Chairman asked with regard to the PPL training what restrictions there would be with a take off, a circuit and a landing as this could be noisy and continuous and would there be any restrictions on jets or helicopters?

The Airfield Manager stated that the type of aircraft that would be used would be the smaller light aircraft like a Cessna 150 or 172.

Resolved:

- (1) That the report from the North Weald Airfield Manager be noted; and
- (2) That any outstanding answers from questions asked by the Cabinet Committee be either published in the Council Bulletin or reported at the next scheduled meeting of the Cabinet Committee.

Reasons for Decision:

To update the Cabinet Committee on the income generation plans at North Weald Airfield.

Other Options Considered and Rejected:

None, as this report was for noting only.

5. ECONOMIC DEVELOPMENT TEAM PROGRESS REPORT

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

The Officer advised that a draft Economic Development Strategy document which had been compiled to act as a high-level framework within which the work of the Economic Development section would be guided. It was intended to be a light-touch document which highlighted the broad economic development priorities adopted by the Cabinet.

The Officer stated that the Economic Development team were liaising with colleagues in Forward Planning and were aware of the report currently being undertaken by Hardisty Jones Consultants, looking at the Economic and Employment Evidence to Support the Epping Forest Local Plan and Economic Development Strategy.

The Officer pointed out that Town Centres and their needs had been identified as a key first stage project and the current status and needs of Waltham Abbey Town Centre had been further identified as a key priority and lead project. In terms of the Waltham Abbey Town Centre a number of initiatives were already underway. Colliers Surveyors were being commissioned to review and identify the physical capacity and level of demand for improved retail development in the high street, both on land owned by the council and on land in the town centre. An economic consultant would also be commissioned to review the available unemployment data for Waltham Abbey and advise on the present status, patterns emerging, and need for intervention, with regard to unemployment in the town.

The Economic Development Team were supporting the Waltham Abbey Town Centre Partnership (TCP) with the Waltham Abbey High Street Summit on the 15 July 2014, which would seek to gather the views and thoughts of the town's businesses and residents on what the High Street needed to both survive and thrive. The TCP were organising this event with a number of officers from both Epping Forest District Council and Essex County Council who were intending to give very

short talks or presentations to generate debate and discussion around the future of the High Street.

Once the Waltham Abbey Town Centre Economic Development Plan had been formalised in terms of layout and content, each town centre in the District would receive the same level of attention following the established format but making each one bespoke to the particular location where appropriate.

The Officer advised that from June 2014 it had been possible to give regular attention to the facebook pages of One Shops Local and Visit Epping Forest. This had resulted in a noticeable increase in the level of traffic to the pages and also the level to which the Council was able to engage with online communities.

Resolved:

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

Reasons for Decision:

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

Other Options Considered and Rejected:

None, as this was a monitoring report for noting only.

6. ASSET MANAGEMENT CO-ORDINATION GROUP REPORT

The Cabinet Committee noted a report from the Asset Management Co-ordination Group on the progress made with the development of the Council's property assets.

The Assistant Director (Asset Management & Economic Development) reported orally on further progress which had been achieved since the matters had been considered by the Group.

(1) Langston Road Retail Park

Detailed advice had been received from accountants, Price Waterhouse Coopers, which was being co-ordinated with solicitors Berwin Leighton Paisner, who had both been appointed to this project to ensure that the Council had the most tax efficient and proper legal entity to jointly take this proposal forward with Polofind Limited, who were the Council's joint development partners. Other work had progressed and the Council was close to being able to recommend the appointment of a construction project manager who would be a key member of the team appointing other professionals.

Planning matters which were reserved by the outline planning approval were also being dealt with such as the highways notices being prepared and further reports of the contamination had been commissioned. Our partners were moving forward on marketing and a draft brochure had been prepared for approval.

(2) Oakwood Hill Depot

The planning application for the new Council Depot at Oakwood Hill had been referred to the District Development Control Committee on 13 August 2014.

(3) Pyrles Lane Nursery

This site would be available for development once the Oakwood Hill Depot was constructed. A new planning application for a residential development was being prepared and would be submitted in the near future.

(4) St John's Road

Frontier Estates Limited had submitted detailed heads of terms for approval by all three councils, namely Essex County Council, Epping Forest District Council and Epping Town Council. Epping Town Council had approved the heads of terms and there was a report being considered by the District Council's Cabinet meeting on the 21 July 2014.

The development which had been proposed was a small food store which would be anchoring the scheme, a small multiplex cinema, a town square, restaurants, residential accommodation, offices which would include the Town Council and a public car park.

Assuming the heads of terms were agreed then the next step would be to instruct solicitors to have a joint development agreement between the developer and all three Councils. The developer would sign the agreement subject to planning approval.

(5) Waste Contractor's Depot

The Council had appointed Biffa as the new waste contractor which would commence in November 2014. Biffa would operate from their own depot sites but they would still be able to use the Council's current depot at Langston Road until 31 March 2015.

(6) North Weald Airfield

There was a separate report regarding aviation at the airfield on the agenda.

(7) Torrington Drive

The head lease of the Sainsbury store had been purchased from Stobarts and the store had a major uplift with the retail units at the front being turned into a car park with 49 spaces.

(8) Winston Churchill Public House

A Development Agreement and Section 106 Agreement had been signed by the Council and CK Property Investments (Loughton) Limited. Planning conditions had now been satisfied by the developer and demolition had commenced at the site.

(9) Broadway Car Parks / Burton Road Depot

A number of proposals were being investigated by the Director of Communities. The Council had now taken possession of the former jewellers shop which was in the walkway and plans were going ahead to widen the access between the Broadway and the Burton Road car park.

(10) Lindsey House Epping

The Council had now taken possession of this property and approval was granted on 23 June 2014 to market the property which was being progressed.

(11) Town Mead Depot

The Council had appointed Peter Brett Associates as consultants, who were experts on flooding and a topographical survey had been completed of the depot and adjoining land. The Consultants had been in discussion with the Environment Agency to allay any fears regarding flooding on this land and a report would be issued on the possible uses of the site in the near future.

(12) Church Hill Former Car Park

The sale of this site had now been completed.

(13) Leader Lodge

This site had been remarketed which had been very successful. A Portfolio Holder Decision would be published shortly to confirm the sale of the property.

Resolved:

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

Reasons for Decision:

To comply with the Cabinet Committee's previous request to monitor the development of the Council's property assets periodically.

Other Options Considered and Rejected:

None, as this monitoring report was for information only.

7. MAIN RUNWAY AT NORTH WEALD AIRFIELD

The Director of Neighbourhoods presented a report to the Cabinet Committee regarding the main runway at North Weald Airfield. He advised that the report provided up to date details in respect of the condition of the main runway (RW02/20) at North Weald Airfield and set out potential remedial options. The report also considered, in the confidential part of the report, Counsel's opinion on obligations of the Council in respect of the leases/licences held by aviation tenants.

The Director stated that a number of reports had been commissioned since 1988 on the condition of the main runway. These included Scott Wilson in 1998, Halcrow in 2011 and Deloitte in 2013. The Halcrow report advised that the condition of the runway was suitable for its current use. Scott Wilson tested the runway and identified the pavement strength to have a classification number PCN 6. Tenants were informed of the runway classification number and advised that they would be able to occasionally operate aircraft in excess of a PCN 9 but the Council must be informed beforehand so they could inspect the runway and approve the operation.

The Director advised that RPS, an aviation based consultancy were commissioned to advise the Council on the steps required and probable costs related to bringing the main runway up to a standard of PCN 9.

The main findings of the report from RPS were as follows:

- (a) that the runway 02/20 is currently, in parts, under strength (PCN 6), whereas the licences stipulate PCN 9;
- (b) that the original asphalt section of the runway surface was in a comparatively poor state; however maintenance has maintained a satisfactory runway;
- (c) that based upon the level of traffic at the Airfield and the type of general aviation aircraft that operated from there, the runway surface was considered fit for purpose;
- (d) that the current runway operating distances were larger than required for the "design aircraft" (a Hawker Hunter T7), and its overall length could be reduced; and
- (e) that to achieve a PCN of 9 the asphalt section of the runway required a minimum of a 250mm overlay.

RPS had not undertaken any intrusive testing of the runway, their report was based on the previous Scott Wilson and Halcrow reports and a thorough visual inspection. The report divided the runway into three sections, with distances referenced to runway 02 (i.e. running south to north):

- (i) the flexible (asphalt) section (0m to 840m);
- (ii) the composite section (841m to 1090m); and
- (iii) the rigid (concrete) section (1091m to 1920m)

The Scott Wilson report designated these section lengths as having PCNs of 6, 10 and 9 respectively. RPS had formed the view that overall a PCN of 6 was appropriate.

RPS had provided a number of estimated solutions, again dependent upon what the future use of the Airfield might be, for example, any intention to seek a CAA licence.

A summary of the options are as follows:

Remediation	Baseline Overlay, existing runway profile	Option 1 Overlay, 1% transverse section to meet min. CAA stds.	Option 2 As option 1, but 1.5% transverse section to fully meet CAA stds.	Option 3 As option 1 but with width reduced to 30m	Option 4 As option 2 but with width reduced to 30m
Runway overlay	£2,675,000	£4,100,000	£4,700,000	£3,600,000	£3,800,000
Runway reconstruction	£305,000	£305,000	£305,000	£305,000	£305,000
Runway tie-in areas	£450,000	£450,000	£450,000	£450,000	£450,000
Total	£3,430,000	£4,855,000	£5,455,000	£4,355,000	£4,555,000

The above costs made a number of assumptions:

- (1) there was no contingency (assume at least 10%);
- (2) normal daytime hours working;
- (3) unfettered access to the runway;

- (4) access elsewhere on site for plant, asphalt production etc; and
- (5) good weather.

Work of this scale could take 6 to 8 weeks to undertake and require a runway closure for that entire period. RPS suggested that once a full technical solution was designed, this time period could be reduced a little. It might also be possible to enable some use of the cross runway RW13/31.

The above costs were significant, especially whilst the future of the Airfield remained subject to deliberation through the Local Plan. RPS were therefore asked to advise what the cost might be if a decision was made to simply overlay the existing asphalt areas, without seeking to achieve a PCN of 9 for the runway as a whole. Although not part of the report, RPS had indicated that in their view a simple 50mm overlay to deal with the immediate issues would cost in the region of £700,000.

The RPS report did not reach any new conclusions, but did usefully provide support to previous costs estimated for the remediation of the runway provided. There were two main issues to consider:

- (1) the costs of remediation of any type at this point in the Local Plan process; and
- (2) the advice of Counsel and the approach the Council wished to take with regard to those tenants who might demand the Council meet the full conditions of their licences, with respect to PCN's.

In terms of (1) above, despite the existing Cabinet resolution to retain aviation at the Airfield, it would perhaps be prudent not to do any significant remedial works to the runway at NWA which could be seen as setting a precedent for the future use of the Airfield in the context of the North Weald Bassett Masterplanning exercise as a whole, and until the Local Plan was further advanced. It would be important however, that the existing inspection and maintenance regimes were fully applied during this period.

The Chairman advised that the meeting would now go into private session to discuss the confidential part of this report.

8. EXCLUSION OF PUBLIC AND PRESS

Resolved:

- (1) 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>
12	Main Runway at North Weald Airfield	3 and 5

9. MAIN RUNWAY AT NORTH WEALD AIRFIELD (CONTINUED)

The Director of Neighbourhoods presented Part II of his report to the Cabinet Committee regarding Counsel's advice on the main runway at North Weald Airfield.

The report considered Counsel's opinion on the obligations of the Council in respect of the leases and licences held by aviation tenants.

The Chairman advised that the meeting would now go back into public session to consider the recommendations.

10. INCLUSION OF PUBLIC AND PRESS

Resolved:

- (1) That the public and press be invited back into the meeting.

11. MAIN RUNWAY AT NORTH WEALD AIRFIELD (CONTINUED)

Resolved:

- (1) That the findings of the RPS report on the current condition of the runway at North Weald Airfield be noted;
- (2) That the confidential advice from Counsel with respect to the Council's obligations under the Leases and Licenses with aviation tenants be noted;
- (3) That the current maintenance and inspection regimes be maintained, as they were considered suitable for maintaining safe operating conditions at the current time; and
- (4) That any significant remedial work or consideration of the reduction in runway length be deferred until such time as the Local Plan process had been concluded.

Reasons for Decision:

To give consideration to remediation options in the context of the current condition of the runway as assessed by the RPS report, the implications of the local plan process and the Council's lease/licence obligations

Other Options Considered and Rejected:

To not address the issues presented by the runway condition report and legal advice. However, this would expose the Council to risk.

12. MARKETING OF AN OPERATIONAL MANAGEMENT AGREEMENT AT NORTH WEALD AIRFIELD

The Assistant Director (Asset Management and Economic Development) presented a report to the Cabinet Committee concerning the marketing of an operational management agreement for North Weald Airfield. The Cabinet Committee were advised that property consultants, Savills, had been appointed to review the current position and undertake a soft market exercise to obtain the views of companies who operated in this sector of the aviation industry. Due to the considerable amount of unknown factors it was identified that a management agreement would be preferable to a long lease agreement.

The Assistant Director stated that a formal marketing of this opportunity was now needed to ensure that the aviation business worked to become profitable in its own right. He also advised that an outright sale of North Weald Airfield would be ruled out.

The Leisure and Community Services Portfolio Holder proposed that an additional recommendation be added to the report to note that there were no plans to sell the airfield at the current time. The Financial Portfolio Holder seconded the recommendation.

The Chairman advised that the meeting would now go into private session to discuss the confidential part of this report.

13. EXCLUSION OF PUBLIC AND PRESS

Resolved:

(1) 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	Marketing of an Operational Management Agreement at North Weald Airfield - Appendix	3

14. MARKETING OF AN OPERATIONAL MANAGEMENT AGREEMENT AT NORTH WEALD AIRFIELD (CONTINUED)

The Assistant Director (Asset Management and Economic Development) introduced the Savills report on Soft Market Testing for North Weald Airport (NWA). He advised that there were two principal concerns from a business aviation perspective:

- (1) The number of other airports and airfields within a 75 mile radius; and
- (2) The capital investment that would be needed to allow business aviation to become established at North Weald.

The report went on to identify that NWA was in a prime location and should be of interest to business aviation operators and private customers.

15. INCLUSION OF PUBLIC AND PRESS

Resolved:

- (1) That the public and press be invited back into the meeting.

16. MARKETING OF AN OPERATIONAL MANAGEMENT AGREEMENT AT NORTH WEALD AIRFIELD (CONTINUED)

Recommended:

- (1) That an Operational partner for the aviation business at North Weald Airfield be sought;
- (2) That the procurement and appointment of marketing agents be approved, with the terms of the of the appointment of the agents delegated to the Portfolio Holder for Asset Management and Economic Development;

- (3) That a further report on the outcome of the marketing exercise be submitted to a future meeting of the Cabinet Committee; and
- (4) That there were no plans at the current time to sell North Weald Airfield be noted.

Reason for the Decision:

To progress Cabinet's previous decision to try and secure a viable future for aviation it is suggested that an existing commercial airfield operator be sought to provide the expertise to increase income, improve efficiency and help guide future plans.

Other Options Considered and Rejected:

The only option is to try and improve the airfield operations in-house without potential private sector expertise and operational risk transfer.

To sell or lease a longer term interest in the Airfield for aviation use, which would mean less control and choice of options for the future for the Council.

17. ANY OTHER BUSINESS

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

CHAIRMAN