

# **Report to the Stronger Place Select Committee**



**Date of meeting: 24 March 2020**

**Subject: Group Company Structure – Epping Town Centre Sites**

**Responsible Officer:** Sacha Jevans (01992 564229)

**Democratic Services:** Vivienne Messenger (01992 564265)

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## **Recommendations/Decisions Required:**

- (1) That the current progress with the Group Company Set up to be noted.**
- (2) The progress of the five Epping Town Centre sites be noted.**
- (3) The Committee review and comment on the sustainability, design and socio-economic objectives sets out in the Quality Design brief for the Epping Town Sites.**

## **Report:**

1. Work on the Group Company set up is progressing well, and this report sets out the activity that has been undertaken since the last Overview and Scrutiny meeting in January:
  - (i) Cabinet Approval of the Shareholder Agreement;
  - (ii) Set up of the interim Group Qualis Board;
  - (iii) Progress on the Epping Sites;

### **Cabinet Approval of the Shareholder Agreement**

The report to the February Cabinet approved the Shareholder agreement and the 'Reserved Matters'. Prior to the Cabinet a well-attended workshop was held led by the Council's legal advisors Penningtons Manches Cooper. The presentation covered the key aspects of the Shareholders Agreement including a detailed explanation of the Reserved Matters and the role of the Shareholder Representative the Section 151 Officer.

### **Set Up of the Interim Qualis Group Board**

The report to February Cabinet also approved the set up of the interim Qualis Group Board. All the interim members have now been registered with Companies House.

The Board has held two meetings and has appointed an interim Company Secretary to support the work of the Board and to ensure effective governance. The Company Secretary has produced a programme of work which will be formalised into a detailed forward plan.

The first two Board meetings have focussed on the preparatory work being undertaken on the five Epping development sites. The March Cabinet will receive a paper to recommend the land

ownership transfer of these key sites and will provide detailed financial and development appraisal information.

### **Progress of the Epping Sites**

Qualis Commercial Ltd is progressing the detailed work required to develop full business case appraisals for each of the Epping Sites. This work includes:

- Detailed appraisals and cash flows for all 5 sites in Epping
- Sensitivity analysis testing profit and land value against changes in cost
- Budget cash flow for each site for fees to planning application
- Market report on commercial space - potential tenant demand and uses
- Market report on residential values and rental income potential

The hoarding for the St Johns site is now in place and further discussions are ongoing with the Town Council on their future location within the site.

A planning performance agreement has been agreed with EFDC planning. This agreement sets out the approach to consultation and describes the key planning milestones for the Epping Sites over the coming months. In addition to this there will be a design and quality brief which provides a site strategy for the Epping Town centre sites:

1. St John's
2. Bakers Lane Car Park
3. Cottis Lane Car Park
4. Land and part of Civic Offices
5. Epping Sports Centre – Hemnell Street

The document is currently being finalised and will set out the commitments needed to satisfy the project objectives and includes; the project vision, local objectives, design quality, sustainability objectives, engagement and a robust design process.

### **Sustainability Objectives**

The design brief will seek to achieve the following sustainability objectives:

- Qualis will seek to design our buildings in such a way to minimise material waste and avoid construction activities that have a negative environmental impact
- Incorporate features which enable buildings to be flexible in use and layout with scope for future enhancement to extend the useful life of a building
- Qualis will endeavour to eliminate sources and causes of pollution from our designs and promote the use of renewable energy sources and low/zero carbon technologies in place of fossil fuel sources to limit the waste of energy
- Consider solar gain through site layout and building design to assist with daylight and thermal efficiency
- Promote the use of natural ventilation and systems that minimise potential impact on air quality
- Promote water conservation using rainwater harvesting, grey-water systems and low water use appliances
- Buildings will be designed to minimise the embodied energy in their construction method and material, and to reduce the operational energy they subsequently require
- Promote the use of recycled materials and the reuse of existing materials
- Use BREEAM and SAP assessment methods where appropriate

- Where applicable we shall use specialist consultants and contractors to develop building solutions which minimise the impact on the environment
- Give consideration to alternative proposals/designs for the site, where appropriate
- Incorporate crime reducing features into the design where possible
- Promote the implementation of a sustainable travel plan (e.g. safe pedestrian access and movement, provision of on-site cycle facilities and accessibility to public transport)
- Buildings will be designed to make best use of local conditions through microclimate analysis on all sites
- Buildings will be designed to be thermal bridge free and consider air-tight building strategies
- Schemes will be designed with greening and planting to try and achieve a bio-diversity net gain

## **Design**

In September 2019 Epping Forest District Council declared a Climate Emergency and pledged to do everything within the Council's power to make Epping Forest District Council area Carbon Neutral by 2030. Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. A sustainability approach for developments needs to be considered holistically, encompassing environmental, social and economic sustainability measures and processes. When responding to development opportunities on the five Epping Town Centre sites, consistent with policy, it is necessary to respect the historic environment and designated and non-designated heritage assets. Therefore, all developments need to conserve and enhance the character, appearance and function of heritage assets and their settings and respect the significance of the historic environment. Consistent with the LPSV, sustainable construction is expected to meet the performance set by appropriate standards including, Passivhaus, Home Quality Mark and BREEAM UK New Construction standards. As such, our developments should give rise to minimal environmental impact with respect to its energy use, water use, waste and transport as well as providing for green infrastructure and healthy environments for all users.

## **Socio-Economic Sustainability**

- Schemes will be designed to encourage and incorporate positive social value outcomes and encourage relationship networks that will benefit the owners, users and occupiers of any development
- We will map out who is affected by, or affects the work that is being undertaken on these projects
- We will encourage all stakeholders in the community to take stewardship and ownership of any new development and encourage and ensure the local community have a greater influence over policies and decisions affecting their lives
- Promote individuals and groups to take part in the projects improving the ability, opportunity, and dignity of those disadvantaged to do so
- Design to ensure there is the opportunity for developments to have flexibility in use and to have 'meanwhile' use during the course of, and on completion of developments
- Encourage healthy lifestyles and wellbeing
- Encourage a sustainable and healthy economy

## **Engagement**

The Design and Quality brief will set out the suggested proposals for how engagement will be undertaken through the different planning stages. The final draft of this document will be completed in March.

**Resource Implications:**

The work associated with Qualis is within the approved working capital loan and is set out in the 2020/21 budget and medium-term financial strategy.

**Legal and Governance Implications:**

Any professional consultancy services will be procured in line with the Council procurement rules. The Civic Offices site has a draft allocation of housing within the Local Plan to be bought forward in the early years. There is a Governance Board in place and regular reports of progress back to Cabinet and Overview and Scrutiny.

**Safer, Cleaner and Greener Implications:**

The developments and will be safer by design and energy efficient.

**Consultation Undertaken:**

Full consultation will be undertaken on each site through the planning application process.

**Background Papers:**

None

**Risk Management:**

The risk map is reviewed by the Interim Qualis Group Board and is also monitored by the Council Corporate Risk Management Group.