



Epping Forest District Council

NORTH WEALD AIRFIELD STRATEGY CABINET COMMITTEE

Tuesday, 31st July, 2007

Place: Civic Offices, High Street, Epping

Room: Committee Room 1

Time: 7.00 pm

Democratic Services Officer G Woodhall, Democratic Services Tel 01992 564470
Email: gwoodhall@eppingforestdc.gov.uk

Members:

Councillors Mrs A Grigg (Chairman), M Cohen, Mrs D Collins, Mrs M Sartin, D Stallan and C Whitbread

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

(Head of Research and Democratic Services) To declare interests in any item on this agenda.

3. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council Procedure Rules contained in the Constitution require that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

4. TERMS OF REFERENCE (Pages 5 - 6)

That the Terms of Reference for the North Weald Airfield Strategy Cabinet Committee, as attached, be noted.

5. NORTH WEALD AIRFIELD PLANING CONTEXT - EAST OF ENGLAND PLAN (Pages 7 - 8)

(Head of Leisure Services) To consider the attached report.

6. EXTENSION OF RETAIL MARKET AGREEMENT - NORTH WEALD AIRFIELD (Pages 9 - 10)

(Head of Leisure Services) To consider the attached report.

7. FUTURE USE OF HANGAR ONE (Pages 11 - 16)

(Head of Leisure Services) To consider the attached report.

8. EXCLUSION OF PUBLIC AND PRESS

To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the paragraph(s) of Part 1 of Schedule 12A of the Act indicated:

<i>Agenda Item No</i>	<i>Subject</i>	<i>Exempt Information Paragraph Number</i>
<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

To resolve that the press and public be excluded from the meeting during the consideration of the following items which are confidential under Section 100(A)(2) of the Local Government Act 1972:

<i>Agenda Item No</i>	<i>Subject</i>
<i>Nil</i>	<i>Nil</i>

Paragraph 9 of the Council Procedure Rules contained in the Constitution require:

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

Background Papers: Paragraph 8 of the Access to Information Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report does not include published works or those which disclose exempt or confidential information (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

Inspection of background papers may be arranged by contacting the officer responsible for the item.

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Agenda Item 4

North Weald Airfield Strategy Cabinet Committee – Terms Of Reference

1. To monitor and submit recommendations to the Cabinet as appropriate on:
 - (a) Strategic land use issues relating to the future development of the Airfield;
 - (b) Strategic matters relating to the business, recreational and other activities conducted there; and
 - (c) Proposals for redevelopment of the Airfield or its disposal.
 2. The Committee's Terms of Reference shall not extend to decision-making on existing Council activities on the site, which shall remain the prerogative of the relevant Portfolio Holders within the Cabinet or the Cabinet itself.
 3. The Committee is chaired by the Portfolio Holder for Planning and Economic Development, and a Vice-Chairman will be appointed by the Council from members of the Cabinet.
- NB Any political group not having representation on the Committee by virtue of one of the named Cabinet Portfolios shall nominate one member of the Cabinet to serve on this Committee.

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Report to the North Weald Airfield Strategy Cabinet Committee



**Epping Forest
District Council**

Date of meeting: 31 July 2007.

Subject: North Weald Airfield Planning Context – East of England Plan.

Officer contact for further information: Derek Macnab (01992 – 564260).

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

That, in relation to the East of England Plan, the planning context for North Weald Airfield be noted.

Overview:

1. On 19 February 2007, the Cabinet considered the report of the Planning and Economic Development Portfolio Holder, with respect to the Secretary of State's Proposed Changes to the East of England Plan.

2. The final formal consultation stage for the East of England Plan for 2001 – 2021 (due for adoption in late 2007) had been reached, with a closing date for responses to the consultation by 9 March 2007. The Panel conducting the Examination in public had received the Secretary of State's Proposed Changes and Statement of Reasons in December 2006. It was noted that the majority of the Panel's recommendations had been accepted.

3. In addition, the Secretary of State had proposed a number of changes, which included: a stronger emphasis on Harlow as a major growth location; a review of Green Belt boundaries between 2021 and 2031 as a result of the anticipated growth of Harlow; housing targets for individual authorities to be regarded as minimums, to be exceeded where possible; and a greater focus on reducing carbon dioxide emissions and increasing sources of renewable energy.

4. Following consideration of the Secretary of State's proposed changes to the East of England Plan, the Council's intended response was based upon a number of factors.

5. The omission of North Weald as a major development location was welcomed, along with an acknowledgement that there were development constraints south of the Stort Valley. The Council supported the recognition that Green Belt policy in the District would preclude a long-term supply of new housing, and the increased local discretion granted to policies such as housing densities, affordable housing and parking standards. The reduction of carbon emissions and promotion of renewable energy sources for new developments was welcomed, but there was an issue over vehicle emissions and the performance of existing developments. The Council supported the reinstatement of a major urban extension to the north of Harlow, but felt that a revised Sustainable Appraisal should be undertaken, so that the localised impacts of the proposed changes could be fully considered.

6. In its final response the Council repeated arguments opposing urban extensions to the south and west of Harlow, as well as any excessive growth to the east of Harlow, on the grounds of insufficient infrastructure to support such developments. It was felt that there were better alternative sites along the West Anglia main railway line. Concern was also expressed that the proposed scale of development had not been matched by guaranteed funding for the necessary accompanying infrastructure improvements, which in turn raised doubts about the achievability of the proposed development in the area.

7. Serious reservations were also repeated concerning the proposed job and dwelling provision in the District, with the exception of the extensions to Harlow. The Council made clear its continued willingness to work with other stakeholders to prepare options appraisals and Local Development Documents once the East of England Plan had been finalised.

Implications for North Weald Airfield:

8. Therefore, whilst there were clearly a number of key considerations contained within the East of England Plan report, of direct relevance to the North Weald Airfield Cabinet Committee's consideration of the proposed Licence and Lease Agreements on this Agenda, was the continued omission of North Weald as a location for major development.

9. Since the East of England Plan 2001 – 2021, has been under consideration, the Council has had to pursue a prudent approach with respect to the length of Leases/Licences awarded to tenants at North Weald Airfield. A general policy has therefore been applied, offering tenants certainty until 31 December 2007 with annual break-clauses thereafter, which could be exercised by either party, up until 2010.

10. This arrangement was intended to allow operators a degree of certainty, whilst still enabling the Council to refrain flexibility to respond to development pressures. With the potential for Regional Planning Guidance, compelling the Council to develop alternative uses for the Airfield now largely removed, there is scope for a longer-term view to be taken with respect to Lease/Licence Agreements for the site. This will enable the Council to pursue its objective of maximising leisure use of North Weald Airfield, whilst managing the site as efficiently as possible and maximising income.

Report to the North Weald Airfield Strategy Cabinet Committee



**Epping Forest
District Council**

Date of meeting: 31 July 2007.

Subject: Extension of Retail Market Agreement – North Weald Airfield.

Officer contact for further information: Derek Macnab (01992 – 564260).

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

- (1) That the current Retail Market Licence be surrendered and a new licence with amended terms be granted;**
- (2) That the length of the new Retail Market Licence be from 2007 to 2017, subject to an annual break clause from 2010;**
- (3) That the new Retail Market Licence be uplifted by £1,000 per market with effect from 2010, with annual index linking for inflation; and**
- (4) That, in addition to the existing annual Airfield Improvement Contribution and as a single additional contribution to the Airfield Improvement Annual Charge, a lump sum payment of £150,000 be contributed by Rondeau General Merchants Ltd trading as Hughmark International towards the resurfacing of the Meadow Area at the commencement of the new Agreement.**

Report:

1. Rondeau General Merchants Ltd, trading as Hughmark International, who operate what is now generally recognised as Britain's largest Saturday and Bank Holiday Market, have been longstanding tenants at North Weald Airfield. As such, positive working relationships have developed, not only with the Airfield Management, in relation to the complex practical issues in operating such a large public event, but also with Essex Trading Standards on retail issues. The market has Quality Assurance Accreditation, reflecting good management practice.

2. Over their period of tenure Hughmark have been subject to several licence fee reviews. Currently, the Market represents the most significant source of income to the Council from the site, enabling the Airfield to generate a net surplus, subsidising many of the other uses. The overall fee paid by the Market Operator is commercially sensitive, however officers can provide further information at the meeting if required.

3. The success of North Weald Market can largely be attributed to the insistence of Hughmark that a core of permanent stallholders operate all year round, coupled with their significant ongoing investment in Marketing and Promotion, along with the provision of subsidised public transport for visitors.

4. Hughmark are anxious to maintain confidence amongst their traders and have issued regular updates to stallholders, in order to dispel rumours of the Market's demise, which tend to circulate. Notwithstanding, Hughmark have formally approached the Council, seeking additional surety around their medium term future on the site, post their current Licence Agreement, which expires in August 2010. From 2007 the Council may terminate the licence. At the behest of the Council's Management Board, Officers in Leisure Services and Estates have met with Hughmark and developed the proposal as contained in the recommendations. The proposal attempts to deliver the certainty sought by the Market Operator whilst

safeguarding the Council's financial position, coupled with the retention of a degree of flexibility, should circumstances change in the future.

Report to the North Weald Airfield Strategy Cabinet Committee



**Epping Forest
District Council**

Date of meeting: 31 July 2007.

Subject: Future Use of Hangar One.

Officer contact for further information: Derek Macnab (01992 – 564260).

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

- (1) That, provided it is felt best consideration has been obtained, a minimum ten-year lease with Becro Engineering Limited at a annual rent of £85,000 per annum subject to review after 5 years on a full repairing basis, for the purposes of fabricating structural steelwork, be agreed as the best future option for the use of Hangar One;**
- (2) That the final terms of the lease, to include further information about the proposed refurbishment and maintenance works, be negotiated with Becro Engineering Limited and reported to the Cabinet for final approval by the Finance, Performance Management and Corporate Support Services Portfolio Holder; and**
- (3) That, as the proposed future manufacturing use is a departure from the current general storage or distribution users, any potential environmental impact of the proposal be fully considered as part of the planning application process.**

Report:

1. In addition to the Retail Market, Hughmark International also leases a building known as Hangar One. This building erected by the Royal Air Force in the mid 1930s for the housing and maintenance of aircraft, is located within the Employment Zone of the Airfield, as shown on the Map attached at Appendix 1.
2. Hughmark's original intention in entering into the lease was to use the facility for a covered extension to their market activities. This has proven not to be altogether successful, in part due to being an unpopular location with traders, but mainly because of practical issues such as the general condition of the Hangar and in particular the main doors, which require the assistance of a forklift truck to open and close.
3. As a result and in accordance with the terms of their Agreement, on 25 June 2007 Hughmark International served notice on the Council to terminate their lease, on 31 December 2007. (They were granted a full repairing lease in May 2005, expiring on 31 December 2010, with annual break clauses exercisable by either party effective on 31 December 2007 and annually thereafter). The lease for Hangar One currently provides £85,000 annual income to the Council, therefore as a result of the termination there will be not only a loss to the Council of £85,000 per annum, but also a significant cost to the Council of ongoing maintenance of the whole structure. Unfortunately, there is no historic cost information on this.
4. However, under the terms of the previous lease, to a warehousing tenant, the Council was only responsible for the routine day-to-day maintenance of the roofs, the cost for which is now estimated to be in the region of £15,000 per annum. It should be noted that as the building is over 70 years old, the main roof is reaching the end of its economic life and will

need to be fully refurbished in the very near future. Other necessary works will include replacing or repairing the main doors and providing modern electrical and mechanical services.

5. As per the Retail Market, the future of Hangar One was discussed at the Council's Management Board meeting on 15 November 2006, who requested that Leisure Services were to liaise with Estates regarding the possible replacement of Hangar One, and also with Planning and Estates about the possibilities for further rationalisation of land within the Airfield.

6. To date, Leisure and Estates have reviewed the present situation and concluded that the best option for the Council, if seeking to rationalise land use, would not be to redevelop the site itself but market it as a development opportunity. The sale price would therefore reflect the development value of the land value less the cost of demolition of the existing building. The resultant figure however would be less than the capitalised rent of the existing building, provided rental levels are maintained at present values.

7. In light of this, Hangar One was discussed further at the Management Board meeting of 20 June 2007. It was decided that Estates should continue to review the position with Hughmark International and if possible obtain the best consideration for the Council from a new tenant, if Hughmark International terminate the Lease.

8. Prior to their decision to terminate, Hughmark International instructed a commercial agent (Kemsley Whiteley and Ferris) to market the hangar, initially to assess the future letting potential. It is the view of the Head of Leisure, and Legal Services, that the Council has an obligation to advertise and market Hangar One. This would be in order to show that the Council has obtained best consideration. The fact that Hughmark International has marketed the unit (they used the same company as the Council had previously used) could demonstrate that best consideration was pursued and thus allow the Council to discuss terms with the new applicant. This would save time and expense to the Council and secure a continuous income stream for the letting of Hangar One, minimising the chances of the applicant looking elsewhere.

9. Kemsley Whiteley and Ferris have now confirmed the extent of their marketing activity. This commenced on 14 February 2007 with marketing particulars being circulated to 680 commercial agents in the London and Home Counties area via the Estate Agents Clearing House distribution system. In addition a 'To Let' board has been prominently displayed on the property. Websites have become the primary marketing tool for property of this type rather than traditional paper based advertising. The Kemsley Whiteley and Ferris website links directly into the Estates Gazette Property Link website providing maximum market exposure.

10. As a result of the marketing activity the Council was informed by Hughmark International that Becro Engineering Ltd, an existing tenant of the Council at Brooker Road Industrial Estate, Waltham Abbey, had shown interest in leasing Hangar One. They have offered an annual rent of £85,000 subject to review after 5 years. The condition of the Hangar has not been flagged up as an insurmountable issue by Becro, who have also verbally advised that the company would spend "...£1million..." refurbishing the hangar.

11. However in order to achieve a return on their investment Becro would need a minimum ten-year lease without break clauses. In addition a change of use to General Industrial (Class B2) will be needed. The Company fabricates structural steelwork for the building industry and are steelwork subcontractors to major construction firms including McAlpine, Balfour Beatty and Fitzpatrick. The manufacturing process involves making up bespoke structural steel sections from standard lengths of steel and erecting them on site. The production process is largely automated involving considerable investment in machinery. Their fully qualified workforce would be in the order of 60-70 with approximately 50% employed at the hangar and the remainder on construction sites. They intend to run an apprenticeship scheme and have been awarded funding by the Learning and Skills Council.

12. Members should be aware that there are concerns regarding the proposed change of use from storage to manufacturing, as this would be a new departure for the Airfield. These centre on the noise levels created by the manufacturing and vehicle movements, which may conflict with other Airfield users. Becro are making a planning application and the noise factor will be considered as part of this process. They also state that there will be five HGV movements a day with the occasional low loader, but with no oversize loads. Movements will be restricted to Monday-Friday during normal business hours, which would reduce the impact on the Saturday Market and other events.

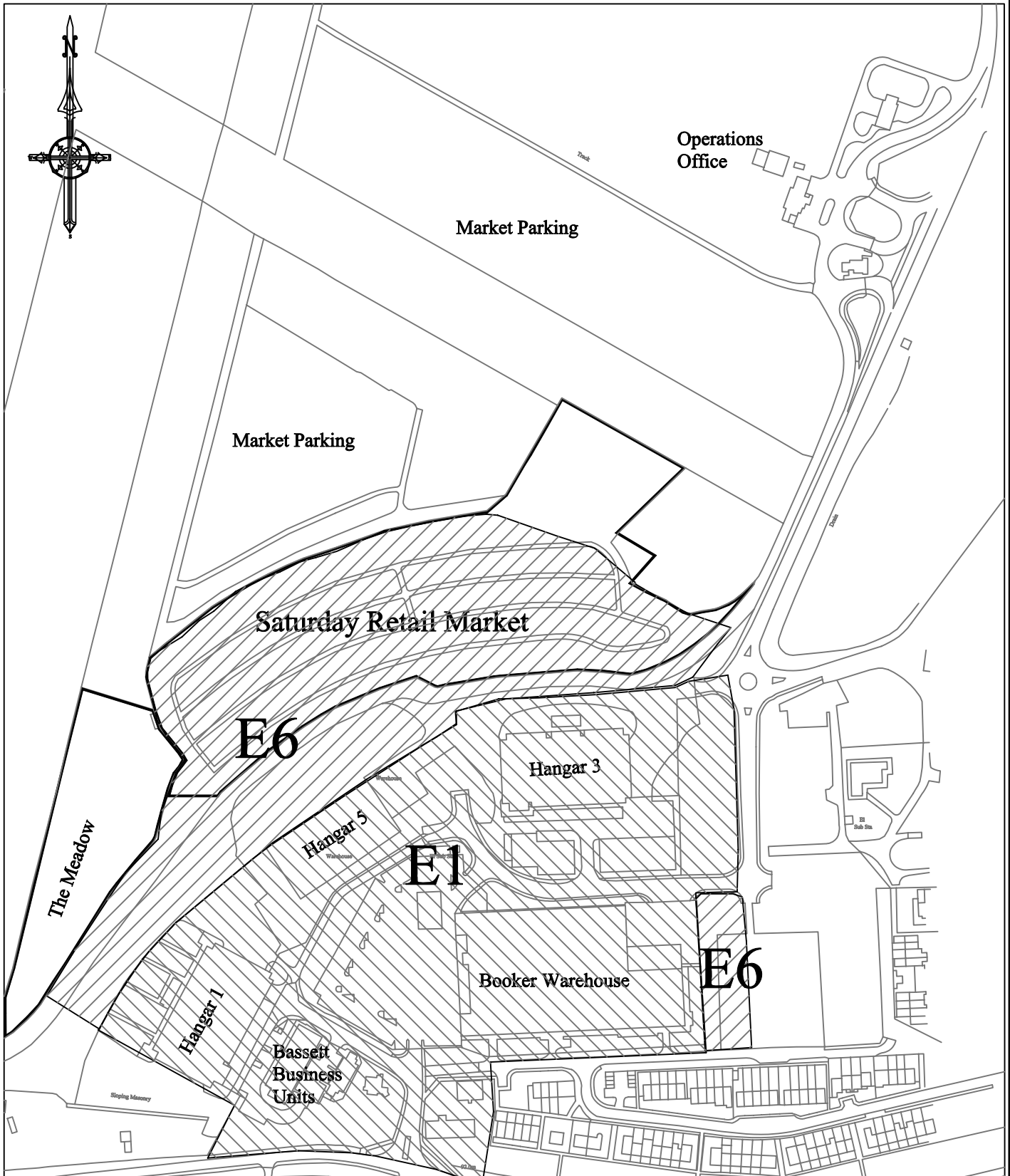
13. Hangar One is situated within the Employment Zone on the Airfield and as such Planning Policy E1 in the Local Plan suggests that General Industrial (B2) uses are appropriate for this location. The East of England Plan is expected to require a substantial net increase in employment and therefore employment land. There has been a loss of employment land within the District and therefore the assumption is that existing employment land should be retained.

14. As highlighted earlier, Airfield leases granted in the last 10 years terminate at the end of 2010, with break clauses effective from the end 2007 and annually thereafter. They are contracted out of the security of tenure provisions of the Landlord and Tenant Act. However, the other principal leases within the Employment Zone are all long-term leases, pre-dating the above practice, as follows:

- (i) Hangar 1 - Vacant 31 December 2007;
- (ii) Hangar 5 - Lease expires 31 July 2008 but tenant entitled to new 15-year lease;
- (iii) Hangar 3 - Ground lease expires 26 February 2110;
- (iv) Bassett Business Units - Ground Lease expires 31 March 2117; and
- (v) Booker Warehouse - Ground lease expires 12 December 2135.

15. Accordingly granting a medium-term lease on Hangar One would not prejudice the potential for any comprehensive redevelopment for employment purposes.

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<p>John Gilbert M.C.I.E.H. M.R.S.H. Head of Environmental Services Civic Offices, High Street Epping, Essex, CM16 4BZ Tel. 01992 564000</p>	<p>Project Lease Plan</p>	<p>Content North Weald Airfield Market</p>	<p>Name S.Isgar Project No.</p>
<p>Date 13.7.07</p>	<p>Scale N T S Page 15</p>	<p>LD/13/C/0011/37c</p>	

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