

Report to the Council

Committee: Cabinet

Date: 26 July 2010

Subject: Supplementary Estimates

Portfolio Holder: Councillor Mrs D Collins
(Leader of the Council)

Item: 10

Recommendations:

Fitness Equipment at Epping Sports Centre and Ongar Leisure Centre

(1) That a supplementary capital estimate in the sum of £62,000 for new fitness equipment at Epping Sports Centre and Ongar Leisure Centre be approved;

Car Park to the Rear of the Black Lion Public House, High Street, Epping

(2) That a supplementary capital estimate in the sum of £150,000 to purchase the freehold of the car park at the rear of the Black Lion Public House, High Street, Epping be approved;

Langston Road Depot, Langston Road, Loughton – Planning Application

(3) That a supplementary revenue estimate in the estimated sum of £16,587.50 (half of the total cost of £33,175 plus VAT) for the preparation of a highways modelling, traffic impact assessment and negotiating solutions by JMP Consultants Limited with Essex County Highways Authority for the upgrading of the A1168 Chigwell Lane in relation to the proposed development of Langston Road Depot as a retail park be approved;

(4) That a supplementary revenue estimate in the sum of £62,867.50 (half of the cost) for submitting a joint outline planning application for the redevelopment of the Langston Road Depot and the adjoining T11 site be approved, provided the negotiations with Essex Highways Authority in recommendation (3) above are successful;

Ninefields, Waltham Abbey – Reduction of Heating Charges

(5) That a Housing Revenue Account supplementary estimate of £57,000 for 2010/11 to fund the cost of reducing the heating charge for 216 one-bedroom properties at Ninefields, Waltham Abbey be approved.

Fitness Equipment at Epping Sports Centre and Ongar Leisure Centre

1. The present contract with Sports and Leisure Management Limited (SLM) for the management of the Council's four leisure facilities is due to end in January 2013. At our meeting in February 2010 we agreed that proposals brought forward by SLM to reduce revenue costs should be pursued further, in line with the Council's policy of generating revenue benefits from investing capital monies. We also recognised that as part of the negotiations the Council would consider extending the present contract for three years from January 2013 to January 2016.

2. There were two elements to the proposals put forward by SLM:

- (a) the Council to make capital provision for alteration works to Loughton Leisure Centre and new fitness equipment for Ongar Leisure Centre and Epping Sports Centre in exchange for a reduction in the Continuing Services Budget (CSB) management fee; and
- (b) a reduced management fee for the potential new hall at Waltham Abbey Swimming Pool.
3. SLM has produced an outline proposal for Loughton Leisure Centre which is within the previously allocated capital budget of £800,000 and has offered a decrease in management fee of £100,000 per year in exchange for this investment.
 4. The capital required for fitness equipment provision at Epping Sports Centre and Ongar Leisure Centre is £192,000 in exchange for a reduction in CSB management fee of £53,376 per year. This will be spent over 2010/11 and 2011/12. There is currently £130,000 in the 2010/11 Capital Programme and therefore a further £62,000 is required by way of a supplementary capital estimate.
 5. Although additional capital is required for the fitness equipment at Epping Sports Centre and Ongar Leisure Centre, it is considered that this still represents an excellent return on the capital investment of £192,000 through the reduction in the management fee.
 6. We are proposing that the contract with SLM be extended to January 2016. We are also proposing and that with regard to the construction of a new sports hall at Waltham Abbey Swimming Pool, the scheme be suspended at the current time and reconsidered each year as part of the annual review of the Council's Capital programme.
 7. In order to fully fund the fitness equipment we recommend as set out at the commencement of this report.

Car Park to the Rear of the Black Lion Public House, High Street, Epping

8. The Council is the leaseholder of the car park to the rear of the Black Lion Public House. The freehold owner, Punch Taverns Plc have offered to sell their interest to the Council for £150,000.
9. The car park is currently held on a ten year lease from 18 December 2001 subject to a rent review every five years and was last reviewed on 18 December 2006 to £9,059.54. The rent is increased in line with the Retail Price Index. The Council, under the terms of the lease is responsible for maintenance of the site.
10. Purchasing the freehold interest will secure the Council's staff car parking provision, failure to do so would potentially jeopardise the Council's long term interest in the site. The proposal will also save £9,000 in Continuing Services Budget lease costs.
11. Accordingly we recommend as set out at the commencement of this report.

Langston Road Depot, Langston Road, Loughton – Planning Application

11. In December 2009, we agreed in principle that investigations be made into the relocation of the existing users of the Langston Road Depot to alternative sites in order to obtain vacant possession of the Depot for future redevelopment.
12. For any development to proceed at the Depot it will be necessary to satisfy Essex Highways Authority over traffic on the A1168 Chigwell Lane and only once this requirement has been satisfied will it be worth the expense of making a planning application for development of the site.

13. If a subsequent planning application is successful for a retail park the Council will have a very valuable site which together with the adjoining T11 site is likely to have a gross development value in excess of £30 million. The development of the Depot site for retail warehousing would provide a wide range of comparison retail goods that are not currently available in the District and would provide a high level of new employment whilst the warehouse is being constructed and once it has been completed.
14. The cost of engaging consultants to prepare a highways modelling, traffic impact assessment and negotiating solutions with Essex County Highways Authority for the upgrading of the A1168 Chigwell Lane in relation to the proposed development is £33,175. This cost would be shared with the owners of the T11 site who wish to develop their site. The total estimated cost of submitting a planning application, excluding the cost of engaging JMP Consultants Limited is £125,735 which again would be shared with the owners of the T11 site.
15. We recommend as set out at the commencement of this report in order to progress the proposed development of the Langston Road Depot.

Ninefields, Waltham Abbey – Reduction of Heating Charges

16. The heating systems in many of the Council-owned blocks of flats on the Ninefields Estate, Waltham Abbey still date from the 1960s and have now become costly to run. As a result, in 2010/11 the Council has had to make a charge of £22.19 per week heating charge to tenants and leaseholders just to cover costs, a charge that is clearly disproportionate for a one-bedroom flat.
17. The Council is undertaking a programme of work to replace the boilers in the 216 affected properties but this work will not be fully completed until 2011/12. Until each occupier has their new system installed they will have to continue to pay these high charges. We consider that it would be reasonable to reduce the charge to £16.69 a week, the amount paid by tenants and leaseholders in 2009/10, until they each have their own boiler installed. The cost of making this reduction is estimated as being £57,000.
18. Officers have tried to find this funding from potential shortfalls in existing budgets but at this relatively early point in the financial year, this has not been possible. Accordingly, we recommend as set out at the commencement of this report.