

Report to the Cabinet

Report reference: C-007a-2012/13

Date of meeting: 11 June 2012



**Epping Forest
District Council**

Portfolio: Asset Management & Economic Development

Subject: St John's Road Epping - Development Brief Procedural issues.

Responsible Officer: John Preston (01992 564111).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That the total expenditure/commitment of £130,000 involved to date in this project from the Local Plan budget be noted;

(2) That Members recommend to the Council that a supplementary DDF estimate of £115,000 be agreed to cover that expenditure from outside the Local Plan budget, and so as to reinstate the sum of £105,000 to the Local Plan budget, and for £10,000 to cover further expenditure to produce the Development Brief for this Council;

(3) That the following Contract Standing Orders are waived: C4, C15 and C16 (failure to use tender procedures rather than quotation procedures in urgently undertaking traffic counts and subsequent work); and

(4) That it is agreed that the remaining expenditure/budget for this project be placed with the Director of Corporate Support Services.

Executive Summary:

At their meeting of 10 March 2008, the Cabinet agreed to undertake a Design and Development Brief for the St John's Road area of Epping. Members also gave authority to jointly appoint with the County Council, specialist external consultants to undertake the project, at an estimated cost of £50,000.

The amount of work required to develop the Design and Development Brief has proven to be more complex than originally envisaged. This situation has been compounded by a shortage of internal capacity within the Council's Forward Planning Team, and as a result the original timescale envisaged has been delayed and additional costs have been incurred.

This report seeks supplementary expenditure to complete the project and a retrospective waiver of Standing Orders C4, C15 and C16, in order to achieve full compliance with the Council's Financial Regulations and Contract Standing Orders.

Reasons for Proposed Decision:

To seek additional funding to complete the Design and Development Brief, to reimburse expenditure within the Local Plan budget and finally to ensure compliance with the Council's Financial Regulations and Contract Standing Orders.

Other Options for Action:

Not to seek supplementary funding and complete the project from existing resources allocated for the development of the Local Plan. However, the current Local Plan budget provision is already predicted to be insufficient and is also itself subject to a request for supplementary funding.

Not to obtain the necessary waivers of Contract Standing Orders, which would constitute a breach and poor governance practice.

Report:

1. With the relocation of the Primary School and the closure of the Centrepont building, it was recognised that any redevelopment of this key site would need careful consideration, not only given its position relative to the Epping town centre itself, but also that the site was potentially of significant strategic importance, with respect to the new Local Plan, for the District as a whole.

2. It was also recognised from the outset that the school site and the immediate surrounding St John's Road area had a number of key distinguishing features. These include ownership of land and assets by several public bodies, its location in relation to a variety of heritage assets, the potential impact on local residents, and neighbouring business uses, traffic and access considerations and ultimately the overall impact on the Town itself.

3. As such, the Cabinet agreed that the production of a Design and Development Brief for the area, (an approach that had been previously successfully undertaken for the Debden Broadway), was the most appropriate way of establishing a clear vision for the area and would be the most appropriate way of bringing forward development options. The final brief will therefore guide future planning considerations for the site, as part of the evidence base for the Local Plan and as such once adopted will be a material planning consideration.

4. In order to undertake the practical work necessary to develop the Brief, recognising that the work of the Council's Forward Planning Team was fully committed to the Gypsy and Traveller Directive and the Local Plan, it was decided to jointly appoint with Essex County Council, specialist external consultancy support. It was estimated at this point that the level of expenditure that would be required would be £50,000, with the County Council agreeing to contribute up to a maximum of £25,000. As a result of a competitive exercise, appropriate consultants were appointed by Portfolio Holder decision, on the 11 September 2008.

5. Whilst it was clear that the project needed to be adequately funded, however, at a time of restrictions upon public expenditure, it was decided that existing budget provision already allocated to the development of the Local Plan, should be used rather than a supplementary budget request. Whilst this approach was sensible at the time, the new National Development Framework has subsequently been implemented by Central Government. There is a separate report on the Local Plan budget on this agenda to discuss in detail the budgetary implications of the accelerated timetable for the preparation of the Local Plan now required.

6. Expenditure has been incurred over a number of financial years on the production of the St John's Road Design and Development Brief, and the total expenditure/commitments have reached £130,000. This report seeks to explain the circumstances that have led to this additional cost and seeks to regularise the situation. In order to assist Members, a table detailing the expenditure incurred is outlined below:

Date	Description of works	Value	By whom
June 2008	Original budget.	£50,000	Initial works by Urban Practitioners, C B Richard Ellis (CBRE) and Buchanans.
September 2009	Additional expenditure to develop options.	£6,700	Allies Morrison (AM) and CBRE.
July 2010	Additional expenditure on Epping as part of work on Town Centres study.	£3,000	Roger Tym.
November 2010	Additional expenditure on viability of options and highway work.	£14,300	AM, CBRE and Buchanans.
June 2011	Additional expenditure on traffic.	£33,000	Intermodal. Traffic counts. Traffic Model. Safety Audit.
November 2011	Additional expenditure on highways, valuation and preparing and undertaking consultation and the analysis of the consultation.	£20,000	CBRE & AM.
As at May 2012	Outstanding commitments	£3,000	
	TOTAL	£130,000	

7. In summary, expenditure has risen above the £50,000 estimated for a number of reasons:

- Four options were developed, and the possible scale of the retail components meant that it was prudent to consider this in the report which was prepared by Roger Tym as part of the Local Plan evidence base.
- A possible leisure option involved some additional consideration of the requirements which could be included with such an option, to include the cost of purchasing land at this site and what might be undertaken on the existing site so as to offset those costs of any new relocated provision.
- All of the possible options raised some quite complex changes to traffic impacts, which needed to be thoroughly considered. In addition, original traffic studies were not considered to be sufficiently up to date, nor had they been undertaken when the schools were in use, so they needed to be repeated. A safety audit was also required.

- Finally, the extent and depth of the consultation, and the resources allocated to ensure that all residents had the opportunity to contribute was greater than had originally been envisaged.

8. Had it been clear at the outset that the level of expenditure now reached was going to be involved, the procurement method used to select the appointed consultants, would still meet Contract Standing Orders. However, Cabinet and the Chief Financial Officer should have been made more formally aware of the additional expenditure being incurred, and a request for a supplementary estimate presented earlier.

9. The project was originally managed within Planning & Economic Development, but responsibility was transferred to Corporate Support Services in June 2011, as it was felt that the project had stalled as a result of lack of capacity within Forward Planning and that new impetus was required.

10. The time taken over the project has also been a concern for ECC, because they had assumed a capital receipt would have been generated earlier to offset the costs of the new primary school which was relocated nearby. Similarly, securing the empty buildings at the site has also caused ECC additional expenditure, and they have taken a position that they are not prepared to fund any additional work, which was necessary on the Design and Development Brief.

11. In order to complete the Design and Development Brief, there is likely to be some further expenditure incurred, primarily because the consultation period was extended and there have been a greater number and detail of responses to analyse. A further £10,000 should complete the work to a point where the Council can be asked to agree a brief. However, if any more work were to be required on land assembly, working up further details of specific proposals or work required on managing traffic flows in the High Street differently, then that will require further funding. This will be quantified and subject to a further request.

12. To date, the funding has been taken from the Local Plan budget, which is under pressure. Therefore, a supplementary estimate is being sought to cover the expenditure incurred since December 2008, and to cover the reasonable further expenditure envisaged to complete the project.

13. The Council's annual Governance Assurance statements make reference to "each budget being assigned to the individual manager best able to use and control it." Therefore there is a strong case that any further expenditure on the project should be managed within Corporate Support Services rather than within Planning and Economic Development.

14. The consultation undertaken will be subject to a separate report to Cabinet shortly.

Resource Implications:

As set out in detail in this report, a supplementary estimate of £115,000 is sought to fund work to date and complete the St John's Road Design and Development brief. £105,000 of the supplementary estimate to be credited to the Local Plan budget. An assumption is that eventually the Council landholdings within the area of the brief may realise a higher value, which would offset costs incurred in bringing the brief forward.

Legal and Governance Implications:

With respect to the need to undertake an additional traffic survey, the original consultants Buchanans prepared a quote. A quote was also obtained from Mouchels. A Portfolio Holder report was prepared in 2011 to seek to confirm expenditure on traffic work up to £50,000 to

be taken from the Local Development Framework Budget, and to waive standing orders (in particular C4 which concerns contracts having a value of between £25,000 and £50,000). However, a contract was let by officers on the grounds of urgency, to make sure the traffic counts which fed into the traffic studies were taken before the school holidays based on a quote of £24,999. As the eventual contract value for the traffic counts, modelling thereof and other associated work has now reached £33,000 that is over £25,000 (the limit of approval by officers) but under £50,000.

There has been a failure to comply with a number of Standing Orders in particular C4, C15 and C16 and this now necessitates the request for a waiver.

Safer, Cleaner and Greener Implications:

In order to be satisfied that possible options could be acceptably undertaken, including related alterations or improvements to the highway network, and that congestion and air quality impacts were tolerable or acceptable, it was necessary to undertake the work by Intermodal.

Consultation Undertaken:

None.

Background Papers:

The original report to Cabinet of March 2008, and the original Portfolio Holder decision of September 2008, the decision of Cabinet of December 2008 to credit the Local Plan budget for the original £25,000, and the draft Portfolio Holder report of early 2011, as listed in the report.

Impact Assessments:

Risk Management

This report reveals that the increased expenditure on this scheme has not been brought back to Cabinet as quickly as it should have been, and that certain procedures need to be applied more vigorously.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?
N/A.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A.