

Report to the Cabinet

Report reference: C/129/2005-06.

Date of meeting: 10 April 2006.



**Epping Forest
District Council**

Portfolio: Finance and Performance Management.

Subject: Possible Development of Council-owned Car Parks - Appointment of a Planning and Development Consultant.

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Recommendations:

- (1) That an additional public car park site at Queens Road, Buckhurst Hill be included in the Consultant's brief for appraisal;**
- (2) That Bidwells be appointed to provide a report on the development potential of five Council-owned car park sites in accordance with the brief prepared by the Head of Environmental Services and the Valuation and Estate Management Service;**
- (3) That, in order to cover the Consultant's fees, a supplementary DDF estimate in the sum of £5,000 be recommended to the Council for approval;**
- (4) That, as this project relates to economic development, the funding be taken specifically from the Local Authority Business Growth Incentive scheme income; and**
- (5) A further report be presented to the Cabinet following receipt of the Consultant's development appraisal.**

Report:

1. Following a review of the Council's public car parks by the Leader of the Council and Portfolio Holders for Housing, Planning and Economic Development and Civil Engineering, the Head of Environmental Services submitted a report to the Cabinet last year seeking approval to appoint a consultant to investigate the development potential but retaining public car parking at four sites. The sites, as shown approximately on the plans attached are:
 - (a) Bakers Lane (Long and Short Stay Car Parks), Epping;
 - (b) Church Hill, Loughton;
 - (c) Cornmill, Waltham Abbey; and
 - (d) Broadway (Burton Road), Loughton.
2. The Cabinet resolved that a further report be presented on the appointment of a suitable Consultant and to make appropriate budgetary provision.

Consultant's Brief:

3. The Head of Environmental Services and the Valuation and Estate Management Service have prepared a development brief and invited suitable planning and development consultants to submit fee quotations in accordance with Contract Standing Orders. As part of this process, the following issues are drawn to the Cabinet's attention.

Sites to be evaluated:

4. Although the Cabinet report identified four sites, the Queens Road, Buckhurst Hill car park, providing nineteen parking spaces, adjoining an established retail/commercial area also has development potential. Accordingly, it is recommended that this site also be evaluated by the consultant.

Public Car Parking Provision:

5. The Council could proceed to offer the sites on a similar basis to the Marks and Spencer sale at the former Lamb's Garage site, Loughton. Under the terms of that agreement, the purchaser is required to provide an agreed number of spaces for public use at prescribed times; the charges are restricted to local tariffs; and these obligations run for a term of 10 years from completion of the sale. As an alternative, an obligation to provide public car parking in perpetuity could be incorporated but this may have a negative impact on the land value and lessen developers interest in the sites. Specialist advice is required on the obligations to be incorporated in a development agreement.

Development Agreement:

6. The most appropriate agreement may be a building licence and freehold transfer similar to the Marks and Spencer sale. However, there are other options for the consultant to consider and advise. The brief requires the consultant:
 - (i) To investigate the development potential and prepare indicative scheme proposals for each site based on an appropriate mix of uses, densities and access/parking arrangements. Options for development to include residential (incorporating affordable housing units), commercial, leisure based or a mix of these uses;
 - (ii) To assess the viability of schemes incorporating public car parking as an essential element;
 - (iii) To advise on appropriate development agreements, planning applications and preparatory work for marketing; and
 - (iv) To estimate the land values for sale purposes.

Consultants Submissions and Fee Quotations:

7. Member authorities of the Association of Chief Estates Surveyors and Property Managers in Local Government (ACES), Eastern and London Branches have been consulted seeking recommendations for appropriate consultants. That exercise confirms that the necessary expertise is available at some of the major London based property firms or specialist planning and development property consultancies. In particular, three firms - Bidwells, CB Richard Ellis and Gerald Eve - have been recommended as having current or recent appointments with member authorities on comparable development projects.
8. These three firms are willing to assist the Council and have submitted fee quotations for consideration. They may be summarised as follows:

C B Richard Ellis	£30,000 plus VAT and disbursements
Gerald Eve	£8,500 plus VAT and disbursements
Bidwells	£3,950 plus VAT and disbursements

9. Their submissions recommend that the following key tasks and investigations be undertaken:
- (i) establish the number of spaces to be retained at each site, the preferred management regime for replacement car parking provision, issues relating to revenue and capital receipts and appropriate joint venture/partnering arrangements;
 - (ii) a planning assessment for each site against the local and national planning policy background;
 - (iii) identify physical constraints, boundary issues and whether there might be opportunities and/or advantages to involving third party/adjoining land ownerships;
 - (iv) an assessment of the development potential of each site in terms of market demand for the proposed uses;
 - (v) indicative financial appraisals for each site. These appraisals to be based upon a range of uses and assessments of development potential, planning deliverability, market demand and cost assumptions;
 - (vi) land values for each site, advice on the disposal options and the strategy for securing planning consents; and
 - (vii) advice on the most appropriate form of development agreement or conditional contract as well as developer selection and marketing.

Budget:

10. The Head of Finance recommends that District Development Fund (DDF) finance be allocated to this project from the Local Authority Business Growth Incentives (LABGI) scheme that came into force in 2005. LABGI gives local authorities a direct financial incentive to encourage economic development in their area by allowing them to retain a proportion of revenues created by increasing business growth, measured by increases in the list of rateable values. As agreed by the Cabinet at its meeting on 19 December 2005, LABGI revenue of £475,000 for 2005/2006 and £200,000 for 2006/2007 has been credited to the DDF. Cabinet asked the Planning and Economic Development Portfolio Holder to submit a report with proposals for economic development measures that some of this income could be spent on.
11. To cover the Consultant's fees it is recommended that a budget allocation of £5,000, subject to later review, be made available from the DDF.

Statement in Support of Recommended Action:

12. The lowest quotation submitted by Bidwells in the sum of £3,950 plus VAT and disbursements satisfactorily meets the selection criteria and is recommended for acceptance. As the proposed developments came under the auspices of economic development, they were eligible for funding from the Local Authority Business Growth Incentive Scheme.

Other Options for Action:

13. The only option at this time is to not appoint a Planning and Development Consultant

and to continue to manage the car parks as at present, although The Broadway (Burton Road), Loughton car park will upgrade from free parking to pay and display upon completion of the Broadway Enhancement Scheme.

Consultations undertaken:

14. Member authorities of the Association of Chief Estate Surveyors and Property Managers in Local Government (ACES), Eastern and London Branches have been consulted seeking recommendations for appropriate Planning and Development Consultants with recent experience of comparable development appraisals.

Resource implications:

Budget provision: £5,000 budget provision required for the appointment of a Planning and Development Consultant for the development.

Personnel: Environmental Services and Valuation and Estate Management Service.

Land: Possible development of five Council-owned car parks.

Community Plan/BVPP reference: Planning and Economic Development and Civil Engineering and Maintenance.

Relevant statutory powers: None.

Background papers: Property File EV/911.

Environmental/Human Rights Act/Crime and Disorder Act Implications: None.

Key Decision reference (if required): N/A.