

## **Report to the Cabinet**

**Report reference: C/122/2006-07.**

**Date of meeting: 12 March 2007.**



**Epping Forest  
District Council**

**Portfolio: Civil Engineering and Maintenance.  
Finance, Performance Management and Corporate Support Services.**

**Subject: Possible Development of Council Owned Car Parks.**

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### **Recommendations:**

**(1) That the following be agreed in respect of the car park at Church Hill, Loughton:**

**(a) the site be declared surplus to requirements;**

**(b) Bidwells be commissioned to prepare and submit an outline planning application for residential development on behalf of the Council, incorporating a minimum of 40% affordable housing;**

**(c) no public car parking provision be included within the proposed development;**

**(d) subject to the receipt of outline planning permission, the land be sold to one of the Council's four main Preferred RSL Partners, following a competition being held amongst them inviting them to each submit tenders providing the following information:**

**(i) the maximum amount of shared ownership housing that could be provided by the RSL if it paid the Council £500,000 for the land; and**

**(ii) the maximum amount that could be paid to the Council if all of the properties were in the form of shared ownership;**

**both with and without any social housing grant from the Housing Corporation;**

**(e) the Cabinet considers a further report on the outcome of the competition and selects the Preferred RSL Partner to undertake the development;**

**(f) the selected RSL be requested to investigate the possibility of the development site being enlarged with the inclusion of any adjoining land, including the undertaking of any associated negotiations;**

**(g) if an enlarged development site is possible, the Cabinet considers a further report on the options; and**

**(h) the selected RSL be required to submit the detailed planning application at its own cost;**

**(2) The proposal that a Feasibility Study be commissioned on the suitability of the Bakers Lane Car Park, Epping for residential development (including affordable housing) and the viability of providing replacement public car parking spaces as part of any scheme not be agreed;**

**(3) That the Burton Road (Broadway), Loughton car park be retained as a public car park until such time as a scheme be identified which supports the principles of the Broadway Town Centre Enhancement Scheme;**

**(4) That the Queens Road, Buckhurst Hill; Cornmill, Waltham Abbey; and Cottis Lane, Epping car parks be retained as public car parks and alternative development schemes not be pursued; and**

**(5) That, in order to fund a planning application, site studies and other associated costs, a revenue DDF supplementary estimate in the sum of £26,000 be recommended to the Council for approval.**

### **Report:**

1. The Town Centre and Car Parks Task and Finish Scrutiny Panel (The Panel) have considered a report by Bidwells, Planning and Development Consultants on the development potential of the following 6 public car park sites: Bakers Lane (long stay) and Cottis Lane (short stay), Epping; Church Hill and Burton Road (Broadway), Loughton; Cornmill, Waltham Abbey and Queens Road, Buckhurst Hill.

2. The six sites are indicated by black border on the Ordnance Survey plans attached at Appendices 1 to 5.

3. The Bidwells report provided a preliminary assessment of the development potential and disposal options, accepting that any proposals must retain an element of public car parking within the scheme design, albeit at a reduced level. The report identified the options for development, including housing, commercial, leisure based or a mix of these uses.

4. An initial assessment indicates that all of the car parks have some degree of development potential. Development on most of these sites could either generate capital receipts (or revenue income) for the Council and/or provide an opportunity to meet other important objectives, such as delivering additional affordable housing and encourage business creation in town centres.

5. The main conclusions, the Panel's recommendations and further recommendations are detailed in the rest of the report.

### **Cottis Lane (short stay), Epping:**

6. It was noted that the site was suitable for a mixed use (retail and residential) or residential development incorporating a public car parking element. Development of this site would provide an opportunity to improve the area to the rear of the High Street and the functionality of the town centre more generally.

7. The Panel thought a decrease in the available parking spaces for shoppers and traders in Epping town centre would make the area less accessible to traders and shoppers and consequently discourage trade. Also, commercial development (particularly a supermarket) might take custom away from the High Street, which was not considered desirable. Accordingly, it was agreed that alternative development schemes not be pursued.

### **Bakers Lane (long stay), Epping:**

8. This car park extends to approximately 0.32 hectares/0.79 acres and currently provides 233 car parking spaces. The site does not relate well to the town centre and is

bounded on two sides by domestic dwellings. In planning terms, the site is not suitable for retail development but could be developed for residential with a small element of public car parking. To respect the adjoining dwellings, development of flats and apartments would need to be at the lower end of the density range.

9. It was recognised that development of both the Bakers Lane and Cottis Lane car parks would be unrealistic in terms of maintaining satisfactory levels of public car parking.

10. The Panel requested that a feasibility study for a residential development (including affordable housing) with provision for at least 200 car parking spaces be considered further.

11. Bidwells have reflected on this suggestion and advise that a residential scheme incorporating underground or multi-storey parking to replace the suggested 200 spaces is unlikely to be viable in planning or financial terms. A more modest re-provision may be appropriate.

#### **Queens Road, Buckhurst Hill:**

12. The Panel noted that this was a very small site (0.05 hectare/0.125 acre - 19 parking spaces) suitable for residential development but not considered practicable to retain public car parking in any scheme. The Panel thought the local Town Centre Enhancement Scheme had already reduced car parking capacity in the area and any further loss of spaces would cause further concern to residents. Accordingly, it was recommended that alternative development schemes not be pursued.

#### **Burton Road (The Broadway), Loughton:**

13. In isolation, this car park will be difficult to develop due to its long and narrow shape. One of the key constraints is Burton Road itself which forms a physical barrier between the site and land to the south, which could be brought in to form part of a comprehensive scheme. The report concluded that this site should ideally be retained for car parking as it serves an important role in the functionality of the Broadway Shopping Centre.

14. The Panel concurred with Bidwell's recommendation but suggested that the potential of the car park be further considered should a scheme be identified which supports the principles agreed by the Cabinet in April 2006.

#### **Cornmill, Waltham Abbey:**

15. The Cornmill car park extends to approximately 0.46 hectares (1.14 acres) and is located on the fringe of the town's retail centre. It currently provides 197 car parking spaces and access to the Scouting Association Hall at the western end.

16. The site is suitable for a mixed residential development but constrained by a 1990 restrictive covenant prohibiting any alternative use, flood risk issues, access rights and Green Belt designation. Because of these issues, the Panel agreed that no further consideration be given to its development.

#### **Church Hill, Loughton:**

17. The Church Hill car park extends to approximately 0.11 hectare/0.28 acre and lies within a primarily residential area, interspersed with a mix of other uses. The site adjoins an Esso Petrol Filling Station on one side and a public house on the other boundary. It provides for 34 spaces but is not currently operational.

18. The site is suitable for a residential scheme, a retail extension to the adjoining petrol filling station or employment related uses. Due to the small size of the site, only a small number of public car parking spaces (about 6 or 7) could be incorporated in any development proposals.

19. Based on a preliminary assessment of the residential development potential, the site has a value in the range of £900,000 to £1.1million. This assumes a development of under 15 units with no affordable housing provision. However, if there was a requirement to provide affordable housing on the site at the Council's adopted level of 40% of the total number of units (that applies to larger sites over 0.5 hectare or where 15 or more dwellings are to be provided), the land value might be reduced between 30% - 40%. Although the size of this site is below this threshold, in view of the Council's commitment to affordable housing it is suggested that, at the very least, the Council should provide 40% affordable housing.

20. Any purchaser of the site from the Council would probably want to take out a restrictive covenant indemnity policy, in order to protect itself from any future claims of breach of a 1937 covenant governing development of the site. This would have an effect on the purchase price.

21. The value of the site for commercial uses (offices or light industrial) will be substantially below that for residential or retail uses.

22. The Panel recommended that the suitability of the Church Hill car park and adjoining land for residential development incorporating affordable housing and public car parking (for 6 or 7 spaces) be considered further and the necessary preparatory work be undertaken.

23. The Panel were reminded that the Cabinet at its meeting on 10 April 2006 resolved (Minute 185(4) refers):

*"That land associated with any General Fund assets which becomes surplus to requirements in the future and where residential housing would be acceptable in planning terms, could be provided to a registered social landlord free of charge to provide affordable housing, rather than generate a capital receipt to the Council".*

24. Accordingly, the Panel recommended that any development proposals should maximise the provision of affordable housing. However, this raises the following issues:

- How much affordable housing should be sought, bearing in mind that the higher the affordable housing provision, the lower the capital receipt to the Council?
- What form of affordable housing should be sought (i.e. rented, shared ownership, or a combination of both), bearing in mind that the higher the rented element, the lower the capital receipt to the Council?
- Should the Council seek a capital receipt from the sale, and if so, of what order?
- Should the Council sell the land to a developer, with a requirement that the developer works with one of the Council's Preferred RSL Partners to provide the affordable housing, or should the Council sell/transfer the land to one of the Preferred RSL Partners direct for the RSL to undertake both the affordable housing and any market housing?
- Should any public car parking be incorporated within the development?

25. In view of the direct relationship between the amount of capital receipt received and the amount and type of affordable housing provided, it is suggested that the Council initially sets a "target" capital receipt for the land, and undertakes a competition amongst its Preferred RSL Partners to establish how much affordable housing could be provided for this level of payment to the Council, on the basis that the RSL would then sell the balance of the market housing itself (to recoup the payment made to the Council). The benefit of selling the land directly to an RSL instead of a developer is that, not only will the Council and the RSL have greater influence over the standard of affordable housing provided, the amount of capital receipt received by the Council would not be reduced by the normal developer's profit,

since RSLs are not-for-profit organisations.

26. Since it is proposed that the amount of affordable housing should be at least 40%, it is suggested that the target capital receipt be set at £500,000 (representing a subsidy of between £400,000-£600,000 on the open market value of a fully market housing scheme). However, it is further suggested that, as part of the competition, the RSLs also be asked to state the maximum amount they could pay to provide 100% affordable housing. The Cabinet could then select the RSL, based on the tenders submitted under these two scenarios.

27. In accordance with the Panel's recommendation, the selected RSL could then investigate the possibility of the development site being enlarged with the inclusion of any adjoining land, with the Cabinet considering a report on the outcome at a later date.

28. An important factor that will have an affect on the amount of affordable housing able to be provided, and possibly the amount of capital receipt received by the Council, is whether the selected RSL is successful in obtaining social housing grant from the Housing Corporation, which could amount to around £15,000 per property. Therefore, since the outcome of any bid is unlikely to be known until around March 2008, the RSLs' tenders could also be evaluated on the basis of two further scenarios – i.e. whether or not social housing grant is obtained. The selected RSL could then commence the development in advance of this date (after receiving detailed planning permission) with the final amount of affordable housing determined once the outcome of the bid to the Housing Corporation is known (but before practical completion of the development).

29. In order to maximise the amount of affordable housing provided on the site, and in view of the current dearth of low cost home ownership opportunities available at present, it is suggested that all of the affordable housing on this site be provided in the form of shared ownership.

30. Since the site is relatively small, the inclusion of any element of public car parking would have a detrimental impact on the amount of affordable housing able to be provided and/or the level of capital receipt. For this reason, and the fact that the land has not been used as a car park for some time, the Panel's proposal that 6 or 7 public car parking spaces be included within the development is not recommended.

31. The first issue that will need to be addressed is whether planning permission for residential development would be forthcoming on this site and, if so, the maximum number of properties that would be deemed appropriate. Therefore, it is suggested that the Council submits an outline planning application to determine these issues. The competition amongst the RSLs could then be undertaken once this important information was known, thereby ensuring a "level playing field" and avoiding the need for the RSLs' tenders to be subject to the receipt of planning permission. The selected RSL would then submit the detailed planning application itself.

32. Normally, the provisions of the Code of Practice on Surplus Land and Property within the Local Charter between the District Council and local councils would apply. Under the Code of Practice, the District Council must notify the Local Council of the Council's intention to dispose of the land on the open market. The Town or Parish Council would then be given 28 days to register their interest to purchase the freehold of the land. However, the transfer of land to a registered social landlord to meet local housing needs is specifically excluded from the provisions of the Code of Practice.

#### **Budget:**

33. The Panel considered the financial implications of the proposed actions and recommended that a budget allocation be sought for the recommended planning application, site surveys and marketing expenses.

34. Bidwells are willing to progress the disposal of the Church Hill, Loughton Car Park and complete further work on the Bakers Lane, Epping site, as recommended by the Panel. The work required is as follows:

*Bakers Lane, Epping:*

35. It will be necessary for indicative block planning layouts to be prepared and to carry out costings to assess the financial viability of retaining a proportionate amount of public car parking on the site in conjunction with a residential led scheme.

36. A fee budget of up to £3,500 plus VAT and expenses will be required for this work.

*Church Hill, Loughton:*

37. Bidwells recommend that the Council proceeds with an outline planning application for residential development incorporating affordable housing. A fee budget capped at £4,900 plus VAT (based on hourly rate charges) will be required for the preparation and submission of a planning application. As part of a planning application, there are site issues to be addressed and planning costs to be incurred. These include the planning application fee; layout drawings and a Design and Access Statement; noise survey; topographical survey; environmental (desktop) study and a flood risk assessment. Estimates received for this essential work amount to £18,000 plus VAT.

**Statement in Support of Recommended Action:**

38. The Bidwells report concludes that these 6 car parks have some form of development potential. The Panel have considered the report and made recommendations for further development appraisal work, the submission of a planning application, an open market sale of a surplus site and the retention of two public car parks.

**Other Options for Action:**

39. To decline or pursue the Panel's recommended actions and the allocation of a budget of £26,000 for the proposed work;

40. To take a different approach to that recommended for the Church Hill Car Park, including the exclusion of any affordable housing, the provision of a different target capital receipt and the disposal of the site on the open market, with or without any requirement for the provision of any affordable housing; and

41. A requirement that some or all of the affordable housing be provided as rented housing.

**Consultation Undertaken:**

42. The Panel have considered the Bidwells report on the future use and development possibilities for the 6 car parks and resolved that the Cabinet be recommended as set out in the report.

**Resource implications:**

**Budget provision:** Consultant's fees £3,950 plus VAT and expenses paid for the preliminary assessment of the development potential and report to the Task and Finish Scrutiny Panel. District Development Fund estimate of £26,000 required for the proposed studies and planning application.

**Personnel:** Valuation and Estate Management Service and Bidwells, Planning and Development Consultants.

**Land:** 6 public car parks - Epping, Loughton, Buckhurst Hill and Waltham Abbey.

**Community Plan/BVPP reference:** TBA.  
**Relevant statutory powers:** TBA.

**Background papers:** Property File EV/1130.  
**Environmental/Human Rights Act/Crime and Disorder Act Implications:** N/A.  
**Key Decision reference (if required):** N/A.