

Forward Plan reference number: FP/945/09/17

Report title: Land for Housing Development in Epping Forest (EPP028)	
Report to: Councillor Gagan Mohindra, Cabinet Member for Finance, Property and Housing	
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Date: June 19th 2019	For: Decision
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County Divisions affected: Loughton Central	

Confidential Appendix

This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

1. Purpose of report

- 1.1. This paper seeks approval to draw down funding to progress the Essex County Council (ECC) owned Loughton Library (the Library) site in Traps Hill, Loughton (the Site) to full planning determination stage (the Project).
- 1.2. To note that the scheme will provide a brand-new library/community hub. This will replace the existing library at no net cost to ECC whilst also avoiding imminent maintenance costs for the existing library.
- 1.3. A further report will follow to agree the next steps if planning permission is granted on the Site.

2. Recommendations

- 2.1. To approve the bringing forward from the existing 2020/21 Essex Housing Capital Budget the £668,000 required in 2019/20 for this stage of the Project. To approve a further £131,000 for 2020/21 to also be taken from the existing 2020/21 Essex Housing Capital Budget.
- 2.2. To agree the drawdown from the Transformation reserve of Revenue costs of £2,778 in 2019/20 and £555 in 2020/21 for the purposes outlined at 2.1.
- 2.3. To agree to invest £799,000 capital and £3,333 revenue to progress the Project to planning stage by June 2020, including detailed design, planning, technical design, contractor tender, and ECC internal costs.

3. Background and proposal

- 3.1. The Library and Essex Registrars occupy the Site alongside other small offices which are let to various users. Given the size of the site (0.25Ha), condition of the building and close proximity to the town, this site is ideal for redevelopment to re-provide space for the existing services alongside 27 new apartments for either sale or rent.
- 3.2. ECC is in the process of finalising its review of the library service across Essex. The draft Essex future Library Services Strategy 2019 – 2024, placed current Essex libraries into four tiers, based on evidence of need. The Library was identified as a Tier 1 library, and therefore has been identified as a main or ‘hub’ library, for which there should be at least one per district/borough, managed by ECC as part of its statutory provision of a comprehensive network. As part of that review, A Consultation was undertaken in February 2019 which sought to obtain views on tier 3 and 4 libraries within Essex. Accordingly the Library is not part of that wider review which is due to come before Cabinet in Summer 2019.
- 3.3. Subsequently ECC has continued to consider the potential development opportunities for the Site. New housing provision on this Site, alongside the Library, will help to meet local housing need, provide a reduction of future maintenance liabilities and operating costs, will support economic growth and regeneration of Loughton and generate a financial return to ECC. As part of the development of the Site, the Library will be replaced with a new building which would continue to provide for commercial/office space for those currently occupying the current building. A mitigation plan is being prepared in the event that planning permission is approved, so that the Library provision could continue whilst constructions works is undertaken. These proposals will be brought forward to the Cabinet member for consideration if planning permission is achieved.
- 3.4. Over the next 3 years the known maintenance liability costs for the existing building amount to £400k. Progressing this development will remove these liabilities.
- 3.5. This proposal has been developed based on professional advice and guidance including capacity studies undertaken by Saunders Boston, planning advice provided by Bidwells, build costs provided by Potter Raper and financial appraisals and marketing advice provided by Savills.
- 3.5. A range of due diligence has already been undertaken which includes amongst other things capacity studies and planning reports as part of initial feasibility investigations. This did not indicate any particular issues with the development other than those specifically set out in the confidential appendix. More detailed due diligence will be undertaken as part of the design and planning phase.

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- 3.6 This additional due diligence and Site preparation activity will include the finalisation of the full design of the Site and completion of the planning application process. ECC will look at utilising expertise in house, however, it might be necessary in formalising the design that additional resources are required. These will be procured through ECC's Request for Quote process, in accordance with ECC's Procurement Policy. Appointments will be done by the Development Operations Manager or equivalent in accordance with ECC's Financial Delegations.
- 3.7 As part of informing ECC's decision making on the future of the Site following planning permission being obtained, ECC will engage the market to obtain a price for the construction of the Site, based on the final design developed by ECC. This price will enable ECC to more accurately predict the investment required should it wish to proceed to fully develop the Site, and will form part of the overall consideration brought back to the Cabinet Member for approval.
- 3.6 ECC's Essex Housing team will manage the project. The key milestones as follows:

Milestone Description	Target Date
Detailed design and planning application preparation	November 2019
Planning permission secured	February 2020
Technical design and Contractor tender	May 2020
Decision to determine Construction/Disposal Approach	June 2020

4. Options

- 4.1 A variety of options have been considered through the development of this business case. All options considered would include retaining a library/community hub in accordance with the Essex Libraries consultation.

Options considered:

Do nothing. This option is not preferred as it would mean an opportunity to capitalise on an asset owned by ECC is missed. It will also mean that ECC would continue incurring the known maintenance liabilities; addressing the liabilities and refurbishing the building and to construct the new library/community hub and either sell or rent the residential units.

Progress the Site to full planning permission: The development by Essex Housing of the Project is the preferred option, as this will provide the most economical return on ECC's investment and will assist in satisfying the housing gap in Loughton, and will ensure that a fit for purpose library provision and community hub remains on the Site, if planning permission is approved.

5. Next Steps

- 5.1 ECC will continue to work on the Site and progress its planning application with Epping Forest District Council. Once planning has been obtained, a further report will follow to consider whether ECC wish to embark on the development of the Site and therefore seek to appoint a contractor, or whether to sell the Site at that stage.

6. Consideration of Implications

6.1. Financial Implications

- 6.1.1. £668,000 will be brought forward into the capital programme for 2019/20 from the 2020/21 Essex Housing capital programme allocation. A further £131,000 will be required in 2020/21 taken from the Essex Housing capital programme allocation for 2020/21.
- 6.1.2. Given commercial sensitivity, the financial implications associated with this project are set out in the confidential appendix.

6.2 Legal Implications

- 6.2.1 ECC has the power under the Local Government Act 1972 to acquire land and power under the Local Authorities (Land) Act 1963 to develop land for the improvement or development of its area. The aims of this scheme relate principally to ensuring that housing is available to meet the needs of Essex residents.
- 6.2.2 Any future building contract will need to be procured in accordance with the Public Contracts Regulations 2015.

7. Equality and Diversity implications

- 7.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.
- 7.3 An initial equality impact assessment carried out in April 2019 indicates that the proposals in this report will not have a disproportionately adverse impact on

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any people with a particular characteristic and a section 2 Equality Impact Assessment is not considered necessary.

8. List of Appendices

- 8.1 Confidential Appendix
- 8.2 Equality Impact Assessment

9. List of background papers

- 9.1 None

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Gagan Mohindra, Cabinet Member for Finance, Property and Housing	26.06.19

In consultation with:

Role	Date
Executive Director for Corporate and Customer Services (\$151 Officer) Nicole Wood on behalf of Margaret Lee Monitoring Officer	19.06.19
Kim Cole on behalf of Paul Turner	30.05.19