

CABINET	DATE 23 January 2019	ITEM NO 7
TITLE Woolwich Leisure Centre - Updated Delivery Proposal	WARD(S) Woolwich Common & Woolwich Riverside	
CHIEF OFFICER Director Regeneration, Enterprise & Skills	CABINET MEMBER Growth and Strategic Development	
DECISION CLASSIFICATION <ul style="list-style-type: none"> - Key - Exempt appendices by virtue of paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended): e.g. Information relating to the financial or business affairs of any particular person including the authority holding that information. 	FINAL DECISION To be made on the recommendations in this report	

I. Decision required

Cabinet is requested to:

- I.1 Approve a two-phased approach for the delivery of the new Woolwich Leisure Centre at Viscount House.
 - i. **Phase One:** New Woolwich Leisure Centre will be delivered directly by the Council.
 - ii. **Phase Two:** Residential scheme on the wider development site.
- I.2 Reconfirm the inclusion of third party land - 14-20 Vincent Road, Vincent Road Garages and (subject to consultation with the residents) Troy Court within the proposed wider development shown in Appendix I. In order to allow the potential for comprehensive development across the site.
- I.3 Agree stakeholder engagement regarding the inclusion of 14-20 Vincent Road, Vincent Road Garages and Troy Court within the proposed wider development.
- I.4 Agree to undertake community consultation (early 2019) to advise the client brief for the new leisure centre lead by Communities and Environment.

- 1.5 Note the procurement of a multi-disciplinary team to develop the following:
- Detailed proposals for the new Leisure Centre Building (phase 1).
 - Undertake an options appraisal to determine the cost benefit of a wider scheme including 3rd party land to deliver a potential residential scheme (phase 2).
 - Develop a hybrid planning application on site (detailed planning application for the leisure centre and outline planning application for the residential development).
- 1.6 Note the new Woolwich Town Centre Supplementary Planning Document (SPD) is being prepared and this supersedes any requirement for a site specific SPD. A borough wide update of the Local Plan: Site Allocations commenced in summer 2018.
- 1.7 Agree to extend the development budget as outlined in the financial considerations Appendix 2.

2. Links to the Royal Greenwich high level objectives

- 2.1 This report relates to the Council's high-level corporate and service objectives agreed by the 2018 Cabinet;
- ***A Healthier Greenwich***
To provide more opportunities for the residents of the borough to be more active. Reduce the number of children and adults who are currently inactive.
 - ***Greenwich: A Great Place to Grow Up***
Provide facilities that encourage families, young people, and adults to enjoy new opportunities and experiences
 - ***Greenwich – a Strong Vibrant and Well-Run Borough***
Support the commitment to invest in Woolwich, as part of the Town Centre Transformation Programme. Maximise the impact of our investments, to deliver expansion of the local economy
 - ***Economic Prosperity for All***
A flagship leisure centre delivered in the heart of Woolwich to attract visitors from across the local area. Using sport and physical activity to provide employment and training in Woolwich, in turn improving town centre footfall and increasing social mobility.

- ***A Cleaner, Greener Greenwich***
The new leisure centre will aim to achieve a BREEAM of Excellent. It will mainly be served by active / public transport.
- ***Delivering Homes through Economic Growth***
Second Phase: residential development scheme
- ***Greenwich: A Great Place to Be***
To provide state of the art modern facilities with swimming, sports halls, fixed gym equipment and a range of other physical activity experiences. The Leisure Centre will improve the frontage onto General Gordon Square & improve the night-time and leisure offer in Woolwich town centre.

3. Reasons for decision

- 3.1 The purpose of this report is to agree a preferred delivery route for the new leisure centre that enables delivery in Woolwich Town Centre.
- 3.2 The development is proposed in two phases.
- Phase one; the leisure centre will be delivered directly by the council & will be located at the front of the site
 - Phase two; wider residential development will be delivered at a later date. The decision for how residential development is delivered will follow once a residential options appraisal is complete.
- 3.3 A Woolwich Town Centre Supplementary Planning Document (SPD) is currently being prepared which will include reference to this site.

4. Executive Summary

4.1 Overview of the project

Phase One: Delivery of the Leisure Centre.

- The leisure centre footprint is shown in Appendix I, shaded in blue.
- The facilities to be included in the new leisure centre will be evidenced and informed by community consultation. A report will be brought to Cabinet in spring 2019 to agree the scope of the new centre.
- The project will enable the Council to re-provide the leisure centre facilities in the town centre supporting the regeneration ambitions of the Council and it's commitment to the Woolwich Town Centre.
- Procurement of a multi-disciplinary team to;
 - Develop the design of the new leisure centre
 - Submit the detailed planning application.

- Prepare a scheme and estimate which will be taken to Cabinet for approval in due course.
- Ensure vacant possession is expedited in a way that enables the project to be delivered.
- Procure a contractor to undertake construction.

Phase Two: Comprehensive development including residential development

- The extent of the potential residential development will sit behind the leisure centre footprint shown in Appendix I.
- Outline planning applications will be developed for the residential phase to establish the planning position prior to decisions being taken about how to deliver the development.
- An options appraisal to be undertaken spring 2019 to assess the number of housing units & the layout of the scheme. This will determine the cost benefit of including third party land required and the possible use of the Council's Compulsory Purchase Order powers. This work will be summarised in a report to Cabinet.
- Residential delivery options may include;
 - Direct delivery by the council
 - Land disposal to a developer with the benefit of outline planning permission
 - Joint venture partnership with a developer

The delivery route will be determined once the options appraisal is complete.

It should be noted that Troy Court is a Council owned block occupied primarily by older residents. Before final decisions on the future of the block can be made it will be necessary to consult the Council's tenants and consider the results of that consultation.

5. Background

- 5.1 Cabinet has previously agreed to develop a new leisure centre in the heart of Woolwich to replace the Waterfront, boost the local economy and serve to maximise the value that can be released from the existing Waterfront Leisure Centre Site.
- 5.2 The Council acquired the Viscount House freehold shown in Appendix I edged in red. The council continues to receive a rental income from the businesses located in Viscount House. The lease for the major commercial tenant runs out in 2024.

- 5.3 A budget to develop this project was delegated to the Director of Regeneration Enterprise and Skills as set out in Appendix 2 to cover development of design and initial land assembly costs.
- 5.4 Since April 2017, the Council has determined the following:
- A feasibility study was completed by architects (Gort Scott) showing how the Council could maximise the site to deliver a new Leisure Centre & residential scheme.
 - GLL have determined that they will stay in their headquarters in the Royal Arsenal & will not need office space in the new leisure centre.
 - The Council has investigated relocation options for the Point all based within the town centre.
 - The Council commenced negotiations with businesses in Viscount House with a view to securing Vacant Possession to enable redevelopment.
 - The Council has drafted a brief to procure a multi-disciplinary team to develop detailed design, undertake an options appraisal for the wider land and develop a hybrid planning application.

6. Detail for consideration

6.1 *Project Drivers Phase 1 – Woolwich Leisure Centre*

- The Council is committed to creating a mixed-use town centre with an increase in the night-time & leisure offer to overcome changes in the function of town centres. In turn maximising the impact of large public sector investment.
- The businesses within Viscount House have been informed of the Councils redevelopment intentions. Barclay's Bank has already moved to another location within Woolwich and negotiations are also on-going with the Councils other tenants.
- The proposed relocation of the Leisure Centre adjacent to the DLR, National Rail station and major bus routes will increase footfall.
- The Waterfront Leisure Centre has a range of maintenance needs and without investment will deteriorate in the medium to long-term. Given the age of the building, a new build leisure centre is the overall best value option. Some investment will be required to keep the existing centre operational until the new centre is built
- Greenwich ranks 108th out of 326 local authorities in relation to deprivation of health and disability. For example, 44 % of young people in the Woolwich Riverside ward are deemed overweight. One of the key aims of the project is to get residents who currently do not take part in physical activity to use the new leisure centre.

- The leisure market in Woolwich has become more competitive in recent times. The new Woolwich Leisure Centre has the opportunity to explore any gaps in the market and develop an innovative service offer to attract new customers who are not currently exercising.

6.2 **Planning Policy and Framework for Phase 1 & Phase 2**

- The new Woolwich Town Centre masterplan will include details on the Leisure Centre & wider residential development.
- The Site Allocation Local Plan is due in spring 2019 and will include the development boundary for the leisure centre & wider residential scheme.
- Both documents will be material considerations for the planning determination and provide an evidence base to support any Compulsory Purchase Order.
- An Examination in Public (EIP) for the draft London Plan commences in Jan 2019. It includes requirement for public sector land to deliver at least 50 per cent affordable housing on each site. In respect of the Viscount House Site consideration will be given to the delivery of the wider scheme including the provision of a community Leisure Centre.
- The draft London Plan also requires residential, leisure and retail developments with good access to public transport to be car free. Provision of Blue Badge Parking is exempt. The whole of Woolwich Town Centre is a Controlled Parking Zone.

6.3 **Land Assembly**

- Specialist legal and property advice will be procured to aid the Land Assembly at Viscount House and possible wider CPO. Additional details are seen in confidential Appendix 3.

6.4 **Financial considerations**

Capital receipts from disposals of assets within the Borough will be available to the leisure centre scheme. Further funding will come from the potential receipt of residential units in phase 2. Additional detail is set out in confidential Appendix 2.

6.5 **Risks for phase 1 & 2**

There are a number of risks for the Council to consider in taking forward the new leisure centre scheme as outlined below:

- Vacant possession of Viscount House is necessary to enable construction of the Leisure Centre Building to commence. To mitigate this risk

discussions with the commercial tenants are already underway as outlined in Appendix 3 Land Assembly.

- The viability and feasibility of a wide residential led development on the phase 2 area will be subject to prevailing market conditions. The decision on the procurement of development in phase 2 will be made once the residential options appraisal is completed. This will involve an element of soft market testing.
- Financial risk - The direct delivery of phase 1 will have cash-flow implications for the project. Programme expenditure will be incurred before the potential receipts of the residential units in phase 2 are received. The Council has already agreed to align capital receipts to this project, further reserves may be needed to overcome the cash-flow issues.

7. Next Steps: Communication and Implementation of the Decision

- a) Community consultation to feed into the Client Brief for the new leisure centre.
- b) Commence procurement of a multi-disciplinary team to develop the Client Brief, develop the leisure centre design, and undertake a residential development appraisal and development of the hybrid planning application.
- c) Consultation with neighbours to the site including Troy Court, Vincent Road, the Gurdwara Sahib & the Tram Shed.
- d) Equalities Impact Assessment
- e) Cabinet Report 2 – Agree the final Client Brief following community consultation.
- f) Cabinet Report 3 – In principle resolution to make Compulsory Purchase Order.
- g) Multi-disciplinary team to finalise developed design.
- h) Planning Application Submitted.
- i) Cabinet Report 4 - Scheme and Estimate report.
- j) Appointment of contractor to build the leisure centre.

8. Cross-Cutting Issues and Implications

Issue	Implications	Sign-off
Legal including Human Rights Act	Under the Responsibility for Functions section of the Council’s Constitution, Cabinet is authorised to take the decisions set out in paragraph 1. The Council has instructed Sharpe	John Scarborough, Head of Legal Services, 4 January 2019

Pritchard LLP, external solicitors, to advise on the legal implications of this report. The following paragraphs have been provided by Sharpe Pritchard and the Council is entitled to rely upon this advice.

The first recommendation at paragraph 1.1(a)(i) above refers to RBG directly delivering the new Woolwich Leisure Centre. Under the general power of competence under section 1 of the Localism Act 2011, RBG may do anything that individuals can do subject to any specific restrictions contained in the legislation. In relation to the development described at paragraph 1.1(a)(ii), RBG should ensure that, where a development agreement is entered into, sufficient due consideration is taken regarding whether a public works contracts may arise at a future date by way of such development agreement. If this is the case, the recent case of *Faraday Development Ltd v West Berkshire Council* [2018] EWCA Civ 2532 makes clear that RBG should consider the transaction in its totality – and, if a public works contract could arise in the future, then the relevant procurement rules as set out in the Public Contracts Regulations 2015 (the “**PCR**”) and RBG’s Contract Standing Orders (“**CSOs**”) must be complied with.

Section 123 of the Local Government Act 1972 (the “**LGA**”) provides that a local authority may dispose of any land that it holds in any manner that it wishes, subject to the proviso that a local authority may not dispose of such land at less than the best consideration that can be reasonably obtained without the consent of the Secretary of State. Land

currently held for housing will need to be appropriated to a planning purpose and any land held for housing and which consists of a house will need the Secretary of State's consent to such appropriation pursuant to section 19 of the Housing Act 1985.

In relation to the consultation recommended at paragraph 1.1(b), as well as the stakeholder engagement and community consultation described at paragraphs 1.1(c) and (d), Cabinet members must fully take responses to such stakeholder engagement/consultation into account in taking subsequent decisions in relation to the matters described in this report.

Any consultations must be conducted following the 'Sedley criteria' recognised in *R v Brent London Borough Council ex parte Gunning* [1985] 84 LGR 168, i.e. that: (a) consultations must be undertaken at a time when proposals are still at a formal stage; (b) sufficient reasons for the proposal must be given to permit intelligent consideration and response; (c) adequate time must be given for consideration and response; and (d) the product of consultation must be conscientiously taken into account in finalising the decision. Consultations must be fair and meaningful. RBG should, in conducting the consultations set out in the recommendations, adhere to the guidance on meaningful consultation given by the Supreme Court in *R (on the application of Moseley) v London Borough of Haringey* [2014] UKSC 56.

The engagement of the multi-disciplinary team to develop the design and submit the detailed planning application (as

	<p>described at paragraph 1.1(e)), as well as the specialist legal and property advice described in paragraph 6.3 above, must also be pursuant to a compliant procurement exercise conducted in accordance with the CSOs and the PCR. RBG must ensure that these relationships are formalised in written contracts following the appointment of the relevant specialists.</p> <p>The recommendation at paragraph 1.1(f) is a note to the Cabinet and there are no specific legal implications that arise from this recommendation.</p> <p>Paragraph 1.1(g) recommends an extension to the development budget. Cabinet may approve this by way of authorising a virement within the Budget that constitutes an in-year change to the Budget and Policy Framework (to the extent permitted under such Framework) under item B2.2 of the Financial Regulations set out in RBG's Constitution. However, any other changes to the approved budget must be approved by way of a decision of the full Council (see item B2.1 of the Financial Regulations).</p>	
<p>Finance and other resources including procurement implications</p>	<p>The report recommends a revised delivery model for the Woolwich Leisure Centre programme and seeks approval to progress procurement, planning and consultation activities.</p> <p>The recommendations set out in the report can be funded from secured capital receipts and, where necessary, revenue streams aligned to the Priority Investment Programme.</p> <p>In developing recommendations for the financing of the programme,</p>	<p>Michael Horbatchewskyj, Principal Accountant 19/12/18</p>

	<p>consideration will be given to cash-flow funding requirements, income generation potential and taxation implications. These will be outlined in future reports noted in section 7 above, and will inform options appraisals for the implementation of phase 2.</p>	
<p>Equalities</p>	<p>Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to</p> <ul style="list-style-type: none"> (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. <p>The decisions recommended through this paper could directly impact on end users. An equalities impact assessment will commence in the next project phase, the results of which will be presented at a future Cabinet.</p>	<p>Tiffany Hepher Regeneration Officer, 04/01/2019</p>

9. Report Appendices

Appendix 1 (Confidential)	Leisure Centre Footprint and Land Ownership
Appendix 2 (Confidential)	Financial considerations
Appendix 3 (Confidential)	Land Assembly

10. Background Papers

- a) March 2017 Report to Deputy Leader; Woolwich Leisure Centre Scheme Composition and Delivery Proposals.
- b) Sept 2016 Leaders Informal Meeting; Woolwich Leisure Centre

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