

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 5 August 2015	<b>Meeting Name:</b> Cabinet Member for Regeneration and New Homes
<b>Report title:</b>		Site for location of new Canada Water Leisure Centre.	
<b>Ward(s) or groups affected:</b>		Electoral ward(s); Rotherhithe , Surrey Docks, South Bermondsey, Livesey, Riverside	
<b>From:</b>		Chief Executive	

### RECOMMENDATION(S)

1. That the Cabinet Member for Regeneration and New Homes;
  - a. Approves the site identified in Appendix 1 as the preferred site for the location of the new Canada Water Leisure Centre.
  - b. Approves the requirements for the new centre set out in paragraph 9 and instructs officers to work with British Land to develop proposals for a new leisure centre on the site as part of the Canada Water masterplan.
  - c. Instructs officers to carryout targeted consultation with residents directly affected by the proposal in Hothfield Place, Hithe Grove, China Hall Mews on the western boundary of the site.
  - d. Notes that British land will undertake significant further consultation on their proposals for the Canada Water Masterplan during Autumn 2015 and that the proposals now incorporate the Surrey Quays Leisure Park site.
2. That the Cabinet Member for Regeneration and New Homes notes that a decision on whether to proceed with the delivery of the leisure centre as part of the Canada Water Masterplan, will be taken forward as part of the development agreement with British Land the terms of which are to be considered by Cabinet.

### BACKGROUND INFORMATION

3. Cabinet in November 2014 endorsed a number of core priorities which are intended to set the parameters for negotiations with British Land concerning the redevelopment of the Harmsworth Quays and Surrey Quays Shopping Centre sites at Canada Water. The Council owns most of the freehold of both these sites. British Land [BL] are the current lessees of both sites and an agreement with them is critical in order to allow a suitable site for a new leisure centre to come forward as part of the Canada Water Masterplan. It should be noted that the Surrey Quays Leisure Park site, recently purchased by British Land is in their freehold ownership and the council has no land interest in it.
4. Core principle IV stated that the council will require a site in its ownership for a new public leisure centre and that the specification for this facility should include a swimming pool, 4 court sports hall, crèche, gym and studio spaces.
5. The facility is intended to replace the existing Seven Islands centre which has the following facilities.

- 6 lane 33 metre pool
  - Disused small pool
  - 60 work station gym
  - 1 studio
  - Small community hall+.
6. Cabinet, in November 2014, approved a variation to the general fund capital programme to give a capital budget allocation for Seven Islands Leisure Centre of £2m for on-going refurbishment works and in so doing noted the announcement by the council to build a new leisure centre at Canada Water. This investment is intended to maintain public access to the facility for around 5 years until a new centre can be opened in 2019-20. Once there is programme certainty as to the likely opening of the new centre a decision will then be required by Cabinet as to the future use of the Seven Islands site.
  7. As noted in the November 2014 report BL were in the process of preparing a planning application for the redevelopment of the Harmsworth Quays and Surrey Quays Shopping Centre sites for submission around late summer or the autumn of this year. BL's successful bid to acquire the Surrey Quays Leisure Park site has resulted in a significant revision to the development and planning programme. As a consequence BL are now in the process of preparing proposals for a comprehensive and integrated scheme to regenerate all three sites.
  8. The redevelopment of the three sites totaling 45 acres will be phased over a 10-20 year period. The early phase of the proposed development is likely to be focused on land around Canada Water basin. Sites outside this area are unlikely to come forward in the timescales that the council requires for the opening of a new leisure centre to replace Seven Islands. The site for the new facility will therefore need to be part of the early phase if it is to be delivered in the timescales the council envisages. A strategy for the development of the facility is therefore required now so that an achievable programme for delivery within the agreed timescales can be put into effect.

## **KEY ISSUES FOR CONSIDERATION**

9. The emerging proposals for a new mixed-use town centre at Canada Water will increase demand for leisure services. The specification for the new leisure centre must be capable of meeting this new demand as well as the needs of our existing residents. The minimum facilities to be provide should include the following;
  - 8 lane swimming pool
  - learner pool
  - 150 work station gym
  - 3 studio spaces
  - crèche
  - Four court sports hall.
10. The site for the facility also has to be of sufficient size to meet the functional requirements generated by the facility. The internal layout of the centre will require front of house area/reception, changing rooms, shower facilities, circulation, storage, and plant room. Externally areas for disabled parking, cycling, deliveries and school drop off are required.

11. The existing Seven Islands Leisure Centre serves a catchment area covering the Rotherhithe, Surrey Docks, South Bermondsey, Livesey and Riverside wards. The location of the site for the new facility should continue to be accessible to residents within this geographical area. The preferred site would therefore be located within easy reach of Lower Road and have convenient access by public transport, walking and cycling.
12. This requirement is considered to rule out the option of using land within the Harmsworth Quays or Surrey Quays Leisure Park site which would result in a facility located further within the peninsular and therefore one which would be less convenient for residents within South Bermondsey, Livesey and Riverside wards
13. As noted the early phase of the scheme is likely to be focused on land around Canada Water basin. Land outside these areas may not be available for development until much later. A decision to proceed with a development on land outside the early phase would therefore require the council to identify additional investment to maintain the existing Seven Islands Leisure Centre beyond the £2m already approved by Cabinet in November 2014. This option has been discounted on the grounds that it does not offer value for money.
14. A further factor is that the new leisure centre should be a separate building. Customer requirements for leisure services are changing rapidly. Public facilities are heavily used and require investment to maintain them. As a consequence it is important that the council retains freedom to manage the future use and development of the facility. The integration of residential and leisure uses within a single building can cause amenity and management challenges. As a consequence it is not recommended that a mixed-use plot or one where residential use is proposed on the upper floors is selected as the preferred site for the leisure centre.
15. The requirements set out above have the affect of ruling out the use of plots within the early phase which front on to Canada Water basin all of which are proposed to be mixed use developments comprising retail, housing, commercial, and leisure. The efficient use of these plots will also be needed to ensure targets for new homes and jobs anticipated in the Canada Water Area Action Plan [CWAAP] are achieved. Integrating a leisure centre into such developments is not consistent with the council's requirements for a separate building with its own freehold.
16. Of the remaining land which can be brought forward in the early phase of the overall Canada water masterplan the site identified in Appendix 1 is considered to be the most suitable for a new leisure centre. This site is considered to have a good fit with the council's catchment area, public transport accessibility and property requirements for a site for a new Leisure centre.
17. The proposed site, as identified in Appendix 1 is also one of the only sites which can be bought forward on the early phases of the masterplan, which can efficiently accommodate a swimming pool as the majority of the site is not effected by the London Overground Tunnel running beneath it between Surrey Quays and Canada Water stations. Building a swimming pool of the size and depth of that outlined in the brief in item 9 above a London Overground tunnel is considered not feasible for technical reasons and those of safety and early feasibility work on this site suggests it can accommodate a pool.

18. The preferred site is approximately 0.4 hectares and it all falls within the British Land shopping centre lease. The site currently comprises three parts. The first on the eastern side of the plot comprises part of Deal Porter Way and the shopping centre car park. The second part is a pedestrian/cycle ramp which provides a connection between the shopping centre to Hothfield Place and then on to Lower Road. The third part which is around 4m lower than the car park comprises an enclosed area comprising trees and vegetation. The tunnel of the TfL Overground rail route runs along the eastern edge of the plot.
19. The western edge of the site adjoins the rear of properties in Hothfield Place some of which are managed by Wandle Housing Association. In addition the site backs onto private properties in Hithe Grove and properties in China Hall Mews which are also managed by Wandle Housing Association. All of these developments have vehicle and pedestrian access from Lower Road.
20. The site context will change significantly with the implementation of the emerging masterplan [see Appendix 2]. In December 2014 BL carried out a public consultation exercise concerning this indicative masterplan for the Harmsworth Quays and Surrey Quays Shopping centre sites. The material which was displayed included land use proposals and indicative building heights for sites within the masterplan area including the area identified in Appendix 1. The site in Appendix 1 was specifically identified as having potential for a community/social infrastructure use. An indicative height of up to 5 stories was suggested for this location.
21. The December 2014 masterplan envisaged that the route of Deal Porter way will be realigned to form a connection between Canada Water and Surrey Quays station. The plan anticipates that part of this route would be used by bus services although this will require approval by TfL. The preferred site for the new Canada Water leisure centre would front on to this proposed route providing convenient access to public transport which is one of the council's key requirements for the new facility.
22. Two further routes proposed as part of the December 14 masterplan are relevant when considering the location of the proposed leisure centre. Both routes would provide pedestrian only connections from Russia Docks Wood through to the realigned Deal Porter Way. One of these would provide access to Hothfield Place and on to Southwark Park, while the other would terminate in the centre of the preferred leisure centre site. In combination these routes would provide convenient and direct access to a new leisure centre constructed on this site for residents within the catchment area.
23. Initial feasibility work has concluded that the site is capable of containing a building which has sufficient flexibility to meet the specification outlined in paragraph 10. As noted there are residential properties on the western boundary of the plot. Initial work suggests that a design which allows the bulk of the building to be dropped into the ground, maintaining the existing retaining wall where practical, and reducing the scale of the building towards the western boundary could be capable of achieving a planning compliant scheme which satisfies planning policy requirements to protect the amenity of residents.
24. The site characteristics of the preferred site mean that it is most suitable for a leisure centre use, as other uses such as housing would inevitably require taller

buildings to be sited there. A single use development such as a leisure centre is likely to be the most efficient use of the site and such a solution is capable of providing the council with a freehold ownership consistent with its requirements for long-term management.

25. For all of the above reasons it is recommended that the site identified in Appendix 1 is selected as the preferred site for the location of the new Canada Water Leisure Centre.

#### Delivery

26. The purpose of this report is limited to seeking agreement on a location for a preferred site for the new leisure centre and to securing approval to undertake consultation on the proposals with residents immediately affected by it. It should be noted that decisions as to whether to proceed with the delivery of the Leisure centre on this will be taken forward as part of the development agreement with British Land, the terms of which are to be reported to Cabinet later this year.

#### Funding

27. There are a number of potential funding options for this project including the following or a combination of them; capital programme, CiL, receipts/income generated through the development agreement with British Land concerning the redevelopment of the Surry Quays Shopping Centre and Harmsworth Quay sites. Commercial discussions regarding the redevelopment of these sites are continuing with BL and the outcome of these will be reported to Cabinet later this year. The available funding options will be assessed as part of this work. In addition Gateway procurement reports will be necessary should the scheme proceed and these reports will need to address project funding.

#### Procurement Strategy

28. The options for the procurement of the facility are either that the council directly carry out the design and construction of the facility itself or alternatively that it is commissioned through British Land. The latter option would allow the works to be coordinated with other buildings and roads which will be developed in the early phase of the overall Canada Water masterplan. This option could therefore potentially be more efficient but would require careful consideration of the procurement position at the appropriate time before proceeding
29. In this scenario the council would enter into an agreement with British Land who would act as Development Manager for the project and the design team/contractor would be managed by them. The agreement would include employer's requirements detailing the council's specification for the works. The agreement would set quality assurance and project milestones for design sign off, approval of contract sum/staged payments, appointment of contractor/design team at which council approval to proceed would be required.
30. Should a scheme on the preferred site proceed the legal and procurement issues will be addressed through gateway reports.

#### **Policy implications**

31. The Revised Canada Water Area Action Plan November 2013 states that the

council's aim is to improve leisure facilities within the plan area for the benefit of both existing and future residents and workers. Policy 12 states that the council will refurbish the Seven Islands Leisure Centre and consider long term options for the provision of sports and leisure facilities.

32. The CWAAP notes there is an opportunity to provide a new leisure centre in the town centre. The proposed site for the leisure centre straddles the boundary of the town centre and is therefore considered to be consistent with this policy.
33. The schedule of uses for shopping centre and overflow car park [CW AAP 7] identifies leisure uses [Class D2] as being an appropriate land use for the site. Figure 24 identifies that there is an opportunity to provide a landscape buffer along the boundary with residential properties on the western boundary and this will need to be addressed as part of the design process.
34. The new leisure centre will have cross cutting benefits in promoting good health and social cohesiveness. It will be used, when completed, as a facility for contributing to the delivery of the council's Fairer Future promise of access to free swim and free gym facilities.
35. This project is in line with the aims of the council's Physical Activity and Sport Strategy 2014-17 in relation to providing new and enhanced leisure facilities that increase participation in physical activity.
36. Southwark's emerging Health and Wellbeing Strategy has identified the following priorities which the build of a new leisure centre at Canada Water will contribute to;
  - Giving every child and person the best start in life.
  - Building healthier and more resilient communities and tackling the root causes of ill health.
  - Improving the experience and outcomes of care for our most vulnerable residents and enabling them to live more active and independent lives.

### **Community impact statement**

37. Seven Islands Leisure Centre currently receives approximately 150,000 visitors each year, less than a centre of that size should achieve. This is due to it reaching the end of its serviceable life and not meeting the current needs of the community. It is estimated that The Canada Water Leisure Centre will receive in excess of 400,000 visits per year emphasising the importance of excellent leisure facilities in the right place and the potential impact that can have on the health of residents.
38. The average life expectancy for Southwark is lower than the national average and can vary by up to as much 9.6 years for men and 6.9 years for women between different parts of the borough. The new centre will contribute to maximising participation in physical activity across the whole community, working towards improving health and wellbeing in the area.
39. The new centre would be fully accessible and the aim would be that this would be supported by a fully inclusive programme of activities that would ensure it becomes a centre of excellence in relation to disability access.

## **Resource implications**

40. This report seeks approval to undertake public consultation on a preferred site for the new Canada Water leisure centre. The staff costs associated with undertaking consultation and any further design work required to facilitate this exercise can be met from within existing Regeneration North budgets.
41. As noted in paragraph 26 there are considered to be a number of options available to the council for to meet the capital costs of constructing the project. A high level cost appraisal of the current feasibility scheme is being undertaken to establish a budget for the project. The conclusions from this exercise will be used to inform decisions on the funding of the project. The capital funding of the project will therefore be addressed in subsequent gateway reports should a decision be taken to proceed with the development of the site.

## **Consultation**

42. Residents on the western boundary of the site are likely to be most affected by the proposed development. As noted elsewhere in this report other sites have been considered but it has been concluded that they do not meet the council's timescale, property and catchment requirements or are not technically suitable. Early targeted consultation with residents directly affected by the scheme will be undertaken to ensure the design process is fully informed by their views during the pre application process. Subject to approval of this report the council will therefore immediately as a first next step work with BL to undertake a programme of targeted consultation with residents occupying properties on the western boundary of the site in Hothfield Place, Hithe Grove and China Hall Mews.
43. BL will in parallel with this exercise undertake significant further consultation on their proposals for the Canada Water Masterplan, during September 2015 which now incorporate the Surrey Quays Leisure Park site, in the coming months of 2015.
44. The formal planning process will also provide residents with an opportunity to make comments on the scheme and any such representations will be reported to the planning committee which would take these into consideration before reaching a decision on the scheme. Resident's are also able to make direct representations to the Planning Committee.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

45. At this stage, the Cabinet Member is only being asked to ratify the selection of the preferred site identified in Appendix 1 together with an outline of the facilities which should be provided at the centre. Accordingly, there are no legal issues which arise at the present time.
46. The provision of leisure centre facilities and their subsequent use is likely to have a number of impacts (both positive and negative) on various groups with protected characteristics. It is essential that these are fully analysed and considered as the project is taken forward.

## Strategic Director of Finance and Corporate Services

47. The resource implications in paragraphs 39 and 40 above are noted. The costs associated with carrying out the consultation can be contained within existing Planning budgets. Any further developments, such as the submission of a planning application, will be dependent upon the outcome of the consultation and will be the subject of separate reports in the future

## Other officers

## Strategic Director of Environment and Leisure

48. The Strategic Director of Environment and Leisure notes the recommendations to approve the site identified in Appendix 1 or the development of a new leisure centre as part of the regeneration of the Canada Water area. The site has good links to public transport and is in a good location to serve the communities of both Rotherhithe and Bermondsey.
49. The allocation of a plot from within the early phase of the development of the Canada Water area means that the leisure centre will be delivered at the earliest possible opportunity. Seven Islands Leisure Centre is reaching the end of its serviceable life. The Sports and leisure service team will be investing £2m capital funding for the essential upkeep of Seven Islands to ensure service continuity until the new centre opens.
50. The Strategic Director of Environment and Leisure notes the outline specification for the new centre and is satisfied that the size of the plot is sufficient to deliver the space requirements for a community leisure centre. In comparison to the facilities at the existing centre the specification for the new centre will have the potential to provide significantly more opportunity to participate in physical activity.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Revised Canada Water Area Action Plan November 2013	<a href="http://www.southwark.gov.uk/info/200314/canada-water">http://www.southwark.gov.uk/info/200314/canada-water</a>	Jon Abbott 02075254902

## APPENDICES

No.	Title
Appendix 1	Site Plan showing preferred location for new Canada water leisure Centre.
Appendix 2	British land Indicative Masterplan December 2014

## AUDIT TRAIL

<b>Lead Officer</b>	Eleanor Kelly Chief Executive	
<b>Report Author</b>	Jon Abbott	
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<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Strategic Director of Environment and Leisure	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
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