

LONDON BOROUGH OF BRENT**Executive - 12 September 2005****Report from the Director of Environment and Culture**

For action

Wards affected:
Fryent**Report Title: Kingsbury Pool: Update on Negotiations with Next Generation and Future Options**

Forward Plan Ref: E&C-04/05-332

1.0 Summary

- 1.1 This report provides Members with an update on the Council's negotiations with Next Generation Clubs Limited ("Next Generation") for the provision of a public swimming pool within a leisure and tennis development to be built on the site of the former Kingsbury lido in Roe Green Park.
- 1.2 The report sets out the difficulties the parties have been having in concluding negotiations which provide the Council with a public swimming pool for an agreed term. The report also sets out the future options available to the Council.

2.0 Recommendations

- 2.1 That the Executive notes the current status of the negotiations with Next Generation.
- 2.2 Given the progress with negotiations, Members are asked to consider and decide upon one of the following options:
- 2.2.1 Continue to negotiate with Next Generation in the hope that it includes the Kingsbury Pool site in its next programme of new facilities.

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- 2.2.2 Remarket the site.
- 2.2.3 The council builds out a pool facility itself.
- 2.2.4 The Council does not provide a pool and consults with local people about improved and new sports and recreation facilities within the Park.
- 2.3 That the Executive instructs the Director of Environment and Culture together with the Head of Asset Management to proceed in accordance with the selected option and to report back on progress of delivery or with sufficient information to comply with the Council's standing orders if the option involves remarketing the site or procuring works or services.

3.0 Detail

- 3.1 Following two failed attempts to secure a leisure development and pool facilities on the old Kingsbury lido site, the site was remarketed again in autumn 2001. At that stage the Council hoped to find a contractor to provide a public pool and run it for 125 years at no cost to the Council. Of the two initial bidders one was eliminated for failing to provide sufficient information and so Next Generation were the only continuing bidder. Its proposal was to provide indoor and outdoor tennis courts, fitness facilities and both indoor and outdoor swimming pools; all as part of a private members club. In addition, the offer included the development and operation of a separate public access pool. The offer included the full capital costs of building the public pool and the operating costs for so long as an agreed 'pot' of money reserved for that purpose had been spent. Whilst acceptable in principle, the difficulty for the Council with this approach has always been how it would ensure it received value for money. In other words, how could it be sure the pool would be operated in the most efficient way to ensure the 'pot of money' lasted as long as possible.
- 3.2 In March 2004 Officers met with Next Generation's Scott Lloyd and his advisors where Next Generation re-stated that its funder would not allow them to operate a public pool, without a contribution from the Council, for an open-ended or agreed period of time. It was not been possible to negotiate a fixed term for the management of the pool.
- 3.3 The details of the Next Generation offer are set out in the 'below the line' appendix to this report.
- 3.4 Further meetings took place with Next Generation (July 2004, October 2004 and January 2005) and during this period council officers undertook a number of pieces of work in order to move the scheme forward. This included producing a facility design brief outlining the quality of facility expected, an outline service specification detailing the standard of service required and a heads of terms for a legal agreement. Officers also undertook work to clarify the estimated

operating costs in order to be able to negotiate the best deal for the council.

- 3.5 Prior to the meeting in January 2005, Next Generation had said that it still wished to meet but that it was no longer able to move forward as previously indicated as it had agreed its next years building programme with its funder and the Kingsbury Pool Site was not included in it, though it may be in the following or future years.
- 3.6 Next Generation said at the meeting in January 2005 that they remained committed to the Kingsbury Pool scheme and still wished to include it within their programme of new sites in the future. However, they could not guarantee when this might be.
- 3.7 The original planning application for this project was approved by the Planning Committee in November 2003, subject to its referral to the Mayor of London and a section 106 agreement and conditions. Having considered the application the Mayor's office advised Brent Planners that they were minded to refuse consent on a number of grounds so the application was withdrawn to allow Next Generation time to address the GLA concerns. At the meeting in January 2005 Next Generation said that following discussions with the GLA they would be re-submitting their planning application in time for the May Planning Committee. Scott Lloyd also undertook to review the heads of terms on the proposed legal agreement and the management specification and agreed to respond to the council on both at the time that the planning application was resubmitted.
- 3.8 The planning application was not resubmitted in time for the May committee and was received by planning officers in June. The revised application addresses many of the issues raised by the GLA in relation to the first application, except for the parking concerns, and as the new scheme is slightly smaller and lower in height it is more friendly to the park setting. In addition, a preliminary response has been submitted to the Council's proposed heads of terms and management proposal.
- 3.9 Whilst some progress has been made, negotiations have been extremely slow. There is no definite commitment from Next Generation that the Kingsbury site will be included within its development programme for 2006/2007. It is understood the programme and funding for proposed new facilities will be confirmed this autumn.
- 3.10 Given this position the following options remain open to the Council:
- a) Continue to negotiate with Next Generation in the hope that the Kingsbury Pool site is included within the next programme of new facilities.
 - b) Remarket the site.
 - c) The council builds out a pool facility itself.

d) The Council does not build a pool on the site and consults with local people about improved sports and recreation facilities within the Park.

3.11 **Continue to negotiate with NG** – As outlined above, negotiations have been extremely slow with Next Generation and there is no guarantee when they may build out the scheme. Even if the site were included in the 2006/2007 programme there would then doubtlessly be a further period during which lengthy negotiations would take place on the detail of the deal. There are also a number of other issues which might effect the final deal and these are addressed in the below the line appendix.

3.12 **Remarket the site**- remarket the site to identify a 'partner' who, as part of a wider private leisure development, will commit to building a public pool and operating it for a specified period of time at no cost to the Council. The type of private leisure facility will be limited to what is an acceptable use of the site as outlined in the Brent Unitary Development Plan. Commercial details are discussed in the below the line appendix to this report.

3.13 **Build the pool ourselves** – In addition to progressing negotiations with Next Generation, Officers have also looked at the feasibility and costs of the council constructing and operating a pool. To reduce the operating costs of the pool some income generating 'dry-side' facilities would be needed. The financial implications of this are discussed in paragraph 4.1 and 4.2 of this report.

3.14 **Do not build a pool and consult with local people on sports and recreation facilities within the Park** – in effect this decision would require a formal end of negotiations with Next Generation. The site of the old lido could be cleared and grassed over and/or, following consultation with local people, new sports and leisure facilities could be provided. The type of facilities that could be provided, with broad estimates of cost, are:

Re-provide the existing pavilion	£200K
Multi Games Area/skateboard park	£220K
Additional play equipment	£60K
Quiet area/Walled Garden Improvements	£60K
Reinstatement of cricket pitch	£35K
Installation of cricket nets	£25K
Drainage for football pitches	£80K
Adventure Play Ground/facilities	<u>£250K</u>
Total	£930K

- 3.15 The ground conditions under the old lido site are uncertain and officers have commissioned a geotechnical survey to determine the situation and what would be feasible on the site and whether it would be more appropriate and/or cost effective to provide new facilities elsewhere within the park
- 3.16 A programme of public consultation be undertaken to determine what facilities/improvements local people would like to see at the site. It is proposed that any such consultation should include a broad range of people. However, in general across the borough there is a concern about the lack of leisure facilities for young people and many of the above options are specifically designed for young people. Therefore, any consultation programme should include young people living in the area. Following consultation, a list of facilities could be drawn up and a programme for installing them developed.
- 3.17 The Sports and Physical Activity Strategy for Brent highlights the need for a third pool in the borough. It recommends the Kingsbury Pool site as a good location. If the Council does decide to end negotiations with Next Generation officers will need to reconsider the options for a third pool in the borough, including alternative locations. This should be done as part of a long-term asset plan for all the sports centres in the borough.

4.0 Financial Implications

- 4.1 If Members wished to continue with the proposed deal with Next Generation there are financial risks which could worsen the position that is currently provisionally available. This is explained more fully in Appendix 1.
- 4.2 The estimated capital cost of building a pool with some additional dry-side facilities has been estimated as being in the region of £5.3 million and the annual operating subsidy about £150 - £200K per year. Using the prudential borrowing regime, the likely annual revenue costs associated with this would be approximately £730K (including the annual operating subsidy). In addition, provision would need to be made for major repairs and replacement of equipment. Utilising this level of capital resources would effectively mean that other schemes, within the capital programme already deemed a higher priority by members, could not happen. Officers feel that the revenue cost of providing the pool and the other priority schemes included within the Medium Term Financial Strategy is unaffordable. Other possible financing routes such as a Private Finance Initiative (PFI) would not attract credits from central government and would incur an even higher revenue charge. There are currently no lottery capital or other external funding streams available that could provide significant capital to such a project in this location.

- 4.3 There is currently no funding within the capital programme specifically allocated to any of the proposed works/facilities detailed in paragraph 3.14 and no revenue funding for maintenance of the facilities. S106 funding of £120K has been identified which could be used towards the replacement pavilion within the park. Given normal slippage within the capital programme and the likely improvement in capital receipts it is probable some resources would be available to fund some of this work in 2005/2006. This however would be subject to a more detailed report when firmer proposals emerge after a consultation exercise.

5.0 Legal Implications

- 5.1 The Council has made genuine attempts to reach agreement with Next Generation on their proposals but the parties have been unable to do so. It is reasonable now that the Council considers whether it is realistic to continue with those negotiations or considers other options for the site.
- 5.2 Any future marketing of the site, whether as a land transaction or a contract for works or services will need to be conducted in accordance with Standing Orders and if the re-marketing option is chosen a further report will be submitted to members setting out the necessary information about the proposed re-marketing.
- 5.3 Any disposal of the land would need to be advertised as the land is open space. Any representations received in response to that advertisement would need to be considered by members before taking a final decision.
- 5.4 Any planning application, including the current application, will need to be considered in accordance with all relevant planning policies and guidance.

6.0 Diversity Implications

- 6.1 Any new facilities within the park will comply with DDA requirements where applicable. An improved children's playground could include additional equipment designed for use by disabled children.
- 6.2 The Strategy for Sport and Physical Activity identifies a number of key target groups who are under-represented in terms of sports participation. One of these groups is young people and the MUGA and skateboard park would contribute to increasing sports activity by this group.
- 6.3 Any new public swimming pool built on the site will be accessible to everyone including those with disabilities. The pool and any enabling development will be fully compliant with the Disability Discrimination Act 1995.

7.0 Staffing/Accommodation Implications

- 7.1 None specific, however, the Next Generation or other similar development could generate full and part time job opportunities in excess of 100.

8.0 Environmental Implications

- 8.1 A new leisure facility within the Park would be required to be energy efficient and environmentally friendly, and that the Contractor manages the facility in accordance with the Council's Environmental Policy. This would be specified within any contract documentation.
- 8.2 Any new facilities will result in direct improvements to the park which will in turn contribute to a considerable enhancement of the environment.

Background Papers

A Strategy for Sports and Physical Activity in Brent 2004-2009.

Exec Report – 12th November 2003 - The Kingsbury Pool Site: Update on
Proposal to Provide a New public Swimming Pool

Report to the Corporate Deciding Committee 13 February 2002

Report no 8/01 to the Corporate Deciding Committee 27 June 2001

Planning Brief & Report to the Public Services Deciding Cttee. July 2000

Planning Brief & Report to the Environment Cttee. 23 September 1999

Report no 65/98 to the Financial Management Sub-Cttee. 28 September 1998

Report no 63/97 to the Financial Management Sub-Cttee. 07 October 1997

Report no 23/97 to the Land & Buildings Sub-Committee 25 March 1997

Report no 11/97 to the Land & Buildings Sub-Committee 12 February 1997

Report no 93/96 to the Land & Buildings Sub-Committee 17 December 1996

Report no 54/96 to the Land & Buildings Sub-Committee 18 September 1996

Report no 41/96 to the Land & Buildings Sub-Committee 28 August 1996

Report no 01/96 to the Land & Buildings Sub-Committee 05 February 1996

Report no 45/95 to the Land & Buildings Sub-Committee 06 December 1995

Report no 40/95 to the Land & Buildings Sub-Committee 26 October 1995

Report no 31/95 to the Land & Buildings Sub-Committee 29 August 1995

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