



Policy, Finance and Development Committee	Tuesday, 31 January 2017	Matter for Decision
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Title: Oadby Swimming Pool Site, Leicester Road, Oadby

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1. Introduction

This report considers the various approaches open to the Council for the future use of the Oadby Swimming Pool site as shown edged red at Appendix 1. It also details suggestions received from the public for the site. Having considered the feasibility of these uses it recommends the most appropriate use(s) for the site in the future.

2. Recommendations

It is recommended that Members:

- (i) Note the consideration of the feasibility of the various options that have been put forward for the future ownership and use of the site as set out in this report;
- (ii) Resolve that the most appropriate use(s) for the site is either a wholly residential use or a combined residential and community centre use;
- (iii) Delegate to officers the task of evidencing and preparing an appropriate design scheme for the future use of the site for future consideration by this Committee.

3. Information

3.1 At its meeting on 9th December 2014 Members resolved that:

'In relation to the site of Oadby Pool, Leicester Road, Oadby, it is recommended that the Council resolves to make the land available for affordable housing development purposes in order to promote its housing priorities after it becomes vacant in 2015 and subject to the covenants as set out in paragraph 3.16'.

3.2 At its meeting on 8th December 2015 (Minute No. 52d refers) Members resolved that:

- (i) *A full feasibility assessment of the Oadby Swimming Pool site be undertaken to assess all potential options and, or suggestions, available for the future use of the land and that a report outlining the same be prepared for Members' consideration and resolution;*
- (ii) *The demolition of the Oadby Swimming Pool building, subject to Officers discretion, be carried out in accordance with a full risk assessment.*

Land Ownership and Legal Issues

- 3.3 The site of the Oadby Swimming Pool is situated adjacent to Ellis Park and is shown on the title plan at Appendix 1. This land is presently owned by Oadby and Wigston Borough Council following a conveyance dated 21st June 1897 made between (1) John Gulson and Others and (2) The Parish Council for the Parish of Oadby.
- 3.4 The conveyance states *'the said Rachel Ellis has agreed to give and the Council have agreed to accept the said pieces of land and hereditaments hereafter described to be held by the Council for the benefit of the Inhabitants of the Parish of Oadby and the said Rachel Ellis has requested the said John Gulson James Ellis and Joseph Sturge to convey the same accordingly.'*
- 3.5 The conveyance contains one restrictive covenant that the Council or its successors *'will not at any time hereafter permit or suffer the sale of ale wine beer or spirituous liquors on the said closes of land hereby conveyed or any buildings to be erected thereon and that any sale or sales of the said closes of land or any part thereof the purchaser or purchasers shall in his or their conveyance enter into a covenant to observe and perform this covenant.'*
- 3.6 Other than the restrictive covenant, there are no restrictions on the future use of the land. The land was given for the benefit of the inhabitants of Oadby. This term could be interpreted in a number of ways for example, the actual use of the land or a capital receipt from the sale of the land that could then be re-invested by the Council for the benefit of the inhabitants of Oadby.

Possible Future Uses for the Oadby Swimming Pool Site

- 3.7 Following the Committee resolution of 8th December 2015 consideration has been given to the potential options that are available to the Council in relation to the future use of the site.
- 3.8 The Council has received a number of suggestions from members of the public since the closure of the swimming pool. These are summarised below:
- The site is cleared and set out as parkland
 - Multi-purpose space for playing basketball, badminton etc and communal space for parties, youth club shows etc
 - Remain a single storey building offering facilities for youth of Oadby, with the space doubling for use by other groups
 - Remain an area for recreation
 - Serve the community in some way with recreation in mind
 - Indoor bowls
 - Youth facility including possibly a skate park and subject to availability of funding a 3G pitch
 - Community building for Oadby – for both adults and young people
 - Indoor sports/leisure such as ten pin bowling, indoor roller skating, table tennis, film shows
 - Community hub as part of community 'campuses' run by church organisation
 - Provision of a health centre
 - Place of Worship
 - Affordable housing in small development with gardens
 - Memorial garden for the Ellis family

3.9 Additionally two individuals have expressed an interest to purchase /develop the site although they have not given any details of their proposals.

3.10 Taking account of the above resolutions and suggestions, the following options have been identified for the future use of the site:

- Redevelop the site as parkland, sports and recreation provision
- Redevelop the site for indoor community use
- Redevelop the site for housing

3.11 Each of the options is considered in more detail below.

Redevelop the Site as Parkland, Sports and Recreation provision

3.12 Under this option the Council would retain ownership of the land.

3.13 Whilst it would provide further amenity space there are significant capital and revenue costs that would need to be borne by the Council. Capital costs would include demolition of the existing building, clearance of the site and as a minimum setting out with top soil and turf/seeding. This has been estimated at approximately £10,000 plus demolition costs estimated at approximately £80,000. Establishing any additional sports and recreational uses would be at a further capital cost.

3.14 Given the costs involved to the Council, this is not considered to be a feasible option. However, an opportunity could exist for the Oadby Pool site to contribute towards new/improved recreational and open space (including parks) facilities in Oadby through redevelopment of the site (see paragraph 3.33).

Redevelop the Site for Indoor Community Use

3.15 Under this option, the Council could retain ownership of the land, lease the land or sell the land.

3.16 A degree of interest has been shown in the site by local community groups for uses such as a community centre, youth club or place of worship. The Council could sell or lease the land for such a use. A legal agreement would be required to be put in place to tie the use of the land to community use.

3.17 Alternatively, the Council could retain ownership of the land, demolish the existing building and redevelop the site itself for a residential led use (see next section) including a purpose built community centre. This could replace existing and ageing Council owned community provision in the area such as the Walter Charles Centre and Oadby Youth Centre thus releasing these sites for sale or redevelopment (eg for a residential use) with the potential to gain a capital receipt through the rationalisation of buildings. This capital receipt, together with a capital receipt arising from the development of a residential element of the scheme could be used to fund the community centre element.

3.18 It is not considered financially viable for the Council to retain ownership of the land and redevelop the Swimming Pool Site itself solely for use as a purpose built community centre. A mixed use scheme incorporating some residential development would be necessary to enable the Council to deliver a financially viable scheme that funds the provision of a community centre.

- 3.19 This option is considered to be feasible, although, in the case of the Council retaining ownership of the land demolishing the existing building and redeveloping the site itself for a residential led use including a purpose built community centre a business case would need to be prepared, particularly regarding revenue implications.

Redevelop the Site for Housing

- 3.20 Under this option the Council could sell the land or bring forward a residential scheme itself.
- 3.21 If the **Council choose to sell the land to a commercial developer**, the developer would purchase the site in its existing condition and bear the cost of demolishing the existing building. The Council would receive a financial sum for the site which it could reinvest for the benefit of the inhabitants of Oadby.
- 3.22 Whilst no formal marketing has taken place the Council is already aware of several parties interested in purchasing the site.
- 3.23 If the Council chose to sell the land to a commercial developer, the Council would have limited control as to the type of residential development that takes place on the site or the speed at which development was brought forward. The Local Plan would however require that at least 30% of the total number of units was provided as affordable housing, as per the policy set out in the Local Plan.
- 3.24 A 100% affordable housing scheme could be delivered if the **Council choose to partner with a Registered Provider**. However, this approach is only likely to be viable if there is external grant support available from third parties such as the Homes and Communities Agency and it is understood that such grants have not been available recently.
- 3.25 Alternatively, the **Council could choose to redevelop the site to add to its own portfolio of housing for rent**. This would deliver 100% affordable housing and could be delivered with the Council managing the entire scheme and appointing a contractor itself or by directly appointing a developer.
- 3.26 However, there are risks to the Council associated with this option. These relate to the management of the developer/contractors; the amount of input required of the Council's staff and the need to buy in external expertise. Furthermore, there would be no financial sum received by the Council unless the development is subsequently sold. This approach assumes that the Council has the financial headroom to borrow finance to proceed with the development.
- 3.27 An initial high level appraisal of the site has indicated that there is potential for a development of approximately 35 dwellings on the site, including the retention of an element of public car parking provision. The site is a sustainable location with good transport links, close to shops and services in an established residential area.
- 3.28 On the basis of affordable rents at 80% of market rents the high level appraisal indicates that the revenue generated would appear to be sufficient to cover the borrowing to cover the construction costs. However, under the new financial regime the Council is allocated a maximum limit of indebtedness set at £21.769 million against which it has already borrowed £18.114 million to purchase its housing stock.

This leaves headroom of £3.655 million of which it is estimated that the Council will borrow £2 million to help fund the 2016/17 Housing Capital Programme. The level of borrowing suggests that there is insufficient headroom to enable the Council to borrow to deliver a scheme of its own on this site.

- 3.29 These risks would be mitigated if residential development was delivered as a result of the Council's plans to develop housing through a **Local Housing Company**. With the Company being outside the Housing Revenue Account it would not be constrained by the borrowing limits. This approach could provide a mixture of privately rented and affordable homes for rent that could be managed by the Housing Company and also provide a valuable income stream for the Council.
- 3.30 This option is considered to be feasible, although of the four alternatives considered, either the sale of the land to a commercial developer or a local housing company are considered to be the most appropriate. Any capital receipt received by the Council could be reinvested for the benefit of the inhabitants of Oadby, for example, in funding the provision of a community centre.

Other Considerations

- 3.31 The site currently provides car parking for users of the neighbouring Ellis Park and an element of this would be retained in any future use of the site.
- 3.32 Whilst the site remains inactive with the old Oadby Swimming Pool building still in situ, the Council is currently incurring business rate charges at the cost of approximately £20,000 per year.
- 3.33 Furthermore, any development scheme should give consideration to the need to make improvements to enhance the existing Ellis Park. A housing development could result in the requirement for a Section 106 contribution to be paid to the Council to new/improved recreational and open space (including parks) facilities in Oadby.
- 3.34 The site is located immediately adjacent to Oadby Town Centre. In the interim, the Swimming Pool Site could offer an ideal location for replacement public town centre car parking spaces on a temporary basis during the course of bringing forward development on sites identified in the Oadby Town Centre Masterplan as part of the Council's regeneration plans.

Conclusions and Next Steps

- 3.35 If the Council is to retain ownership of the Oadby Swimming Pool Site then it is considered the most feasible options are to redevelop the site for either a wholly residential use or for a mixed residential and community centre use. A wholly community use is not feasible because it is not considered viable for the Council to be able to fund it without an income that would be generated by a residential element.
- 3.36 There are a number of risks that could materialise if the Council were to bring forward the redevelopment of the site itself. These risks would be mitigated if residential development was delivered as a result of the Council's plans to develop housing through a Local Housing Company.

Implications	
Financial (CR)	As contained in the report.
Legal (AC)	<p>The disposal of a site would mean that the Council has a duty under Section 123 of the Local Government Act to achieve the best price reasonably obtainable. A sale to a single party without exposing the property to the market may be in contravention. However there are specific consents under Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 for disposal of land for less than the best consideration that can reasonably be obtained.</p> <p>The specified circumstances are:</p> <p>a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;</p> <p>i) the promotion or improvement of economic well-being;</p> <p>ii) the promotion or improvement of social well-being;</p> <p>iii) the promotion or improvement of environmental well-being; and</p> <p>b) the difference between the unrestricted value of the land to be disposed of and the consideration for disposal does not exceed £2,000,000 (two million pounds).</p>
Risks (AT)	<p>Corporate Risk 1 Decreasing Financial Resources <i>The Council is seeking a new use for the Oadby Swimming Pool site which is financially viable.</i></p> <p>Corporate Risk 5 (Effective Utilisation of Land and Buildings) <i>The Council is seeking to put the site to efficient future use</i></p>
Equalities (AT)	<p>An Equalities Impact Assessment will be carried out once a proposal has been drawn up.</p> <p>Equality Assessment</p> <p><input type="checkbox"/> Initial Screening <input checked="" type="checkbox"/> Full Assessment <input type="checkbox"/> Not Applicable</p>

(Continued overleaf)

Appendix 1

