

MAYOR AND CABINET		
Report Title	Forest Hill Pools – Outcome of Public Consultation	
Key Decision	Yes	Item No. 5
Ward	Forest Hill	
Contributors	DIRECTOR OF PROGRAMME MANAGEMENT AND PROPERTY/ EXECUTIVE DIRECTOR FOR RESOURCES/ EXECUTIVE DIRECTOR FOR COMMUNITY SERVICES/ HEAD OF PLANNING/ HEAD OF LAW	
Class	Part 1	Date: 15 July 2009

1. Purpose of report

- 1.1 To inform the Mayor of the findings of the public consultation on the future of Forest Hill Pools; to inform the Mayor of the risks and delivery approach for progressing the project; and to seek a decision on how the project should be taken forward.

2. Policy context

- 2.1 Lewisham's Physical Activity, Sport and Leisure Strategy 2006-2011 sets out the vision of "Creating life changes through an active and healthy Lewisham". Its three key aims are to increase participation in physical activity and sport, to enable Lewisham's community to develop its potential in sport and leisure, and to develop an appropriate infrastructure of facilities. Swimming is a key part of this strategy. It is a form of physical activity that most people can undertake, and is one of the most popular sporting activities in the Borough.
- 2.2 Lewisham's Sustainable Community Strategy 2008 - 2020 sets out one of the borough's priorities as 'Healthy, active and enjoyable - where people can actively participate in maintaining and improving their health and well-being'. Contributing aims to this priority include 'Improve the well-being of our citizens by increasing participation in healthy and active lifestyles', and 'Improve health outcomes and tackle the specific conditions that affect our citizens'.
- 2.3 The Council's ten strategic priorities include 'active, healthy citizens - leisure, sporting, learning and creative activities for everyone', and 'clean, green and liveable - where people live in high quality housing and can care for and enjoy their environment'. A contributing aim to this priority is to 'increase the supply and quality of housing to accommodate the diverse needs of our population'.

- 2.4 "Game Plan" – the Government's strategy for delivering sport and physical activity objectives, and - "Choosing Health" – the Government's white paper, both highlight the role physical activity and sport play in developing a healthier lifestyle.
- 2.5 The Forest Hill Urban Design Framework and Development Strategy were adopted by the Council in 2003. The Framework sets out supplementary planning guidance on the treatment of the Library and Pools complex to give an enhanced community focus to the site and allows for a redevelopment option.
- 2.6 The adopted Unitary Development Plan identifies Willow Way as part of a Defined Employment Area. The site is not within a Conservation Area but is located between Sydenham Park and Halifax Street Conservation Areas.
- 2.7 "London Plan 2008" - provides strategic regional planning guidance for greater London from the GLA and encourages the development of community and leisure facilities. The plan seeks to drive the provision of new housing to meet the needs of London and sets London and Borough wide targets for housing provision, including affordable housing.
- 2.8 "People, Prosperity, Place: Lewisham Regeneration Strategy 2008 – 2020" includes the commitment to reduce health inequalities and encourage healthy lifestyles.

3. Recommendations

The Mayor is recommended to:

- 3.1 note the findings of the public consultation, as detailed in part 6 of this report;
- 3.2 note the risks associated with each option and proposed delivery approach detailed in parts 7 & 8 of this report;
- 3.3 **Either:**
 - 3.3.1 agree option 1, to construct the pool on the current site and to postpone commencement until 2012, subject to availability of resources;

Or:

- 3.3.2 agree option 2, to construct the pool on Willow Way (cross-subsidised by a housing development on the current pools site) and instruct officers to commence immediate delivery;

Or:

3.3.3 agree to construct the pool on the current site and instruct officers to commence immediate delivery, subject to agreement that the necessary resources are provided from the Capital Programme (referring to the Capital Programme report elsewhere on this agenda).

4. Background

- 4.1 In 2002 the Council's Sport and Leisure Service received a good two star inspection rating from the Audit Commission. A key recommendation from the inspection was that a comprehensive audit of facility provision be undertaken to address current and predicted future need.
- 4.2 Capita Consulting were appointed in 2004 to undertake the audit. In December 2004 the 'Leisure Investment Strategy Review' report was published which detailed the outcomes of the audit.
- 4.3 The 'Leisure Investment Strategy Review' report recommended a four pool pattern (Wavelengths, Lewisham Centre, The Bridge and Downham) as the required minimum to provide residents and schools with reasonable access to a local pool. Notwithstanding this report the Mayor recognised the support in the local community for the retention of wet leisure facilities in Forest Hill and in 2005 the Mayor requested officers undertake a facility options study to encompass refurbishment of the existing facility and new build alternatives, and canvass local opinion through a consultation process with respect to the same.
- 4.4 In February 2006 the Mayor concluded that the consultation process had not produced a clear preference for either a new facility or refurbishment of the existing facility. A high level cost analysis provided by Capita Symonds showed a potential refurbishment of the existing facility to be 30% cheaper than a new build facility. As a consequence on the 22nd February 2006 the Mayor made an in principle decision in favour of the refurbishment option conditional upon officers undertaking a detailed feasibility and risk assessment of this option.
- 4.5 In February 2006 and March 2006 the Activity Pool and the Main Pool respectively were closed due to health and safety concerns in relation to the structure of the existing facility. In August 2006 English Heritage wrote to confirm that they would not be listing the existing facility in response to an application for listing received in early 2006. This was the second time that English Heritage had received an application to list the existing pools facility and the second refusal to list.
- 4.6 The detailed feasibility study and risk assessment of the refurbishment option commenced in late summer 2006 with an initial intrusive survey of the pool tanks, and a report was received in November 2006. The estimated costs of the refurbishment were increased by 20% as a consequence of this initial report. In July 2007 the Council's programme management team were able to fully engage with and undertake the detailed feasibility and risk assessment and the outcome

of this work was reported to Mayor and Cabinet on the 13th February 2008.

- 4.7 The report detailed in 4.6 above recommended that the Mayor reconsider the refurbishment option because the proposed refurbishment carried an unacceptably high level of risk in relation to successful delivery, and the potential costs of the refurbishment carried too high a level of uncertainty. Of particular concern was the condition and structural integrity of the Pool Tank and Pool Walls which were subject to severe cracking and were not capable of being repaired with any certainty. Consequently, the Council's Director of Programme Management & Property undertook a high level options appraisal of new build options for Mayor and Cabinet to consider. Of these alternatives option number 3 was considered the optimum, which involved the redevelopment of the whole site to include the demolition of the existing pools and Louise House buildings, and to include the adjoining pocket park as part of the redevelopment. This option also included the potential to include new housing to generate a land receipt that could provide subsidy and additional funding for the new leisure facility.
- 4.8 On February 13th 2008 Mayor and Cabinet reconsidered the option to refurbish the existing facility and, because the surveys proved that this was not viable, agreed that initial design and feasibility work take place for a new building in relation to option 3. Officers were instructed to engage representatives of the local community and previous and prospective users of the pool.
- 4.9 In March 2008 a Forest Hill Pools Stakeholder Group was formed led by the Head of Cultural Services with the first formal meeting in May. The role of the Stakeholder Group is to represent the community; communicate community requirements; provide feedback during design and programme development; consider the historical survey and support consultation.
- 4.10 In April 2008 officers appointed HLM architects to work with them and undertake the initial design and feasibility work in relation to option number 3 (referred to in point 4.7). The initial commission involved the development of a mixed use, cross subsidy scheme with both public and private sector elements to RIBA stage C.
- 4.11 In addition to the architectural feasibility work detailed above, officers commissioned an historical survey of the old buildings on the site by Donald Insall Associates, and a feasibility study by Pollard Thomas Edwards Architects (PTEa) to determine the commercial attractiveness of the residential conversion of Louise House and the Pools frontage building.
- 4.12 In April 2008, English Heritage informed the Council that they had received a third application to list the old Forest Hill Pools building in addition to similar applications in 1995 and May 2006 which were

turned down. English Heritage informed the Council that this application would be refused.

- 4.13 Following the presentation of HLM's three feasibility options to the Stakeholder Group in June officers undertook a public consultation in July based on the results of the work detailed above. The main findings of the consultation in relation to the redevelopment were:
- the majority of respondents supported a 2 pool configuration within the leisure facility;
 - the requirement for additional housing to fund additional leisure facilities was understood and accepted by the majority of respondents, as long as it was not excessive and was sympathetic to the local area;
 - the history of the site should be reflected in the new development by integrating historical features of the old building such as the foundation stone.
 - although some respondents expressed objections to the demolition of the old buildings, many more expressed a desire to see a new leisure facility built without further delay.
- 4.14 In August 2008 English Heritage informed the Council of the Grade II listing of Louise House. The listing set out that the building is of both historic and architectural interest and has group value with the library and Holy Trinity School. This information was shared at the public meeting held on the 21 August.
- 4.15 The retention of Louise House required by the listing rendered the existing feasibility designs undeliverable as they assumed a fully cleared site for redevelopment. The original timetable for the project (planning permission Summer 2009 and completion of the building in early 2011) was therefore also rendered undeliverable.
- 4.16 On 17th September 2008 Mayor & Cabinet considered the feasibility work undertaken to date, the results of the public consultation on the feasibility options, and the implications of the listing of Louise House. Officers were instructed to carry out further feasibility work in light of the listing to explore options for the project, including the integration of Louise House and potentially the pool frontage into a new leisure centre, and to examine the associated costs and risks.
- 4.17 On 25th February 2009 Mayor & Cabinet considered the additional feasibility work carried out by officers, which detailed three possible delivery options. The time, cost and risk implications of each option were detailed in this report. The Mayor instructed officers to carry out a public consultation on two of the three delivery options and to report the findings to Mayor & Cabinet before the summer recess. These two options were:

Option 1: to postpone the project until 2012, at which point a decision can be made as to the allocation of additional resources from the Council's capital programme. If sufficient additional resources are available at that time, and market conditions are appropriate, to proceed with feasibility option 2 (Allies & Morrison design), to build a

new leisure centre on the existing pools site, with estimated completion by 2015.

Option 2: to proceed now with feasibility option 3 (PTEa design), providing a new leisure centre on Willow Way, cross-subsidised by a housing development on the current pools site on Dartmouth Road. The leisure centre in this option would have an estimated completion date of late 2011.

5. Consultation methodology

- 5.1 The public consultation on the options for the pools took place from April to June 2009. A summary of the key findings is provided in section 6 of this report, and the full consultation report is included at appendix A.
- 5.2 An independent research consultancy was procured to conduct the consultation. The brief for the project set out that an in-depth and thorough consultation should be delivered that would provide representative feedback from residents of Forest Hill, Sydenham, and Perry Vale wards, as well as giving all local people a chance to participate and put forward their views.
- 5.3 Five specialist research consultancies were invited to submit proposals for the project and two were shortlisted and invited to a panel interview. The Forest Hill Pools Stakeholder Group were represented by two members on the interview panel. The successful bidder was Continental Research, who were subsequently appointed in April 2009.
- 5.4 The research proposal incorporated a combination of quantitative and qualitative research methods, including:
 - telephone interviews with a representative sample of residents from the three wards;
 - telephone interviews with businesses from the three wards;
 - telephone interviews with schools that would be likely to use the new pools;
 - postal survey delivered to all households and businesses in the three wards with the May distribution of Lewisham Life;
 - online survey made available via the Council website;
 - interviews with members of the stakeholder group;
 - discussion groups with parents, swimmers, older people, young people and disabled people.
- 5.5 Sampling for the telephone surveys used 'random digit dialling' and quota controls to ensure that results are representative of the local population by geographical area, ethnicity, social grade, gender, disability and age.
- 5.6 The sample structure of the discussion groups was designed to ensure that they were representative of life stage, ethnicity, geographical area, gender, social grade, and disability.

- 5.7 The content of the consultation materials was designed by Continental Research in consultation with Council officers and members of the Stakeholder Group.
- 5.8 Quantitative fieldwork took place between 27th April and 29th May. Telephone surveys were conducted with 1001 residents and 101 businesses across Forest Hill, Perry Vale and Sydenham wards. 15 local schools were interviewed. In addition, a total of 2,508 postal and online surveys were completed. This represents a high response rate across all of the consultation methods.
- 5.9 The key findings of the consultation were presented to the Stakeholder Group on 18th June. Members of the Group were invited to formally respond to the consultation on behalf of the groups they represent and all comments received are included at appendix B of this report.

6. Consultation results

- 6.1 The key findings of the consultation are presented in this section. Full results are included in the consultation report available at appendix A.
- 6.2 The top line results on option preference are shown in the table below.

	All telephone	All self complete	All businesses	All schools
Sample size:	1001	2508	101	15
Option 1 (Postpone)	39%	44%	31%	20%
Option 2 (Willow Way)	51%	43%	59%	53%
Undecided	11%	13%	10%	27%

51% of telephone survey respondents would prefer to see the Council proceed now and build a pool on Willow Way, with 39% in favour of postponing the project and building on the Dartmouth Road site if possible in the future. 59% of businesses surveyed and 53% of schools surveyed would prefer to see option 2 taken forward. Results from the self-complete surveys are less polarised, with 44% preferring option 1 and 43% preferring option 2.

- 6.3 Due to the sampling methods used, the telephone survey results can be considered representative of the views of the local population, with 95% certainty that research findings have a variance of no more than 3 percentage points had the whole population been interviewed. The self-completion results are less representative, with known skews in the gender and age of respondents. Self-completion results are also likely

to reflect a bias towards those people with an active interest in the pools as they are more likely to have taken part.

- 6.4 The most common reasons given in support of option 1 are:
- accessible location;
 - the pools would remain near to Forest Hill town centre;
 - it would help regenerate the area;
 - it would preserve the heritage of the old buildings.
- 6.5 The most common reasons given in support of option 2 are:
- the pools would be built quicker than the option to postpone and this option is affordable now;
 - accessible location;
 - the local area currently lacks facilities;
 - desire for a new, modern building.
- 6.6 Respondents were also asked how appropriate they consider each option to be. Top line results are shown in the tables below.

Appropriateness of option 1

	All telephone	All self complete	All businesses	All schools
Sample size:	1001	2508	101	15
Very/quite appropriate	57%	50%	44%	54%
Not very/not at all appropriate	44%	43%	57%	46%
Not stated	-	6%	-	-

Appropriateness of option 2

	All telephone	All self complete	All businesses	All schools
Sample size:	1001	2508	101	15
Very/quite appropriate	70%	50%	73%	86%
Not very/not at all appropriate	30%	44%	28%	13%
Not stated	-	5%	-	-

70% of respondents to the telephone survey consider option 2 to be very or quite appropriate. This compares with 57% of respondents that consider option 1 to be very or quite appropriate. Postal and online

respondents consider both options to be equally appropriate or inappropriate.

- 6.7 The strongest reason given by respondents for considering option 1 to be inappropriate was that it would take too long to deliver a pool, with approximately half of all respondents citing this reason. There were no reasons with this level of response given for considering option two to be inappropriate.
- 6.8 Respondents were also asked how likely they would be to visit each leisure facility should it be built. A significantly greater proportion of respondents would be very or fairly likely to visit the leisure centre proposed on Dartmouth Road compared to the proportion that would be likely to visit the centre proposed on Willow Way. Eight in ten (81%) self completion respondents would be very or fairly likely to visit the option 1 leisure facility, this rises to nine in ten (93%) of online respondents. Just five in ten (52%) of respondents say that they would visit the proposed facility on Willow Way.
- 6.9 The main reason given for being likely to visit option 1 was due to its accessibility, being close to where respondents live or easy to get to. Some respondents also mentioned that they would use it as a family or that they used to go to Forest Hill Pools and would continue where they left off.
- 6.10 A summary of key findings from the discussion groups is now provided:
- Parents preferred option 1 as it kept the swimming facility next to the library. This was viewed as a good opportunity for members of the family to enjoy various facilities in one visit. However it was regarded that the project timescales for option one were not acceptable for local families, with their children's generation missing the opportunity of having local swimming facilities.
 - Swimmers strongly favoured option 2. This was primarily due to the project timescales, allowing for swimming facilities to be provided more quickly than outlined in option one.
 - Some disabled people showed a preference for option 1, as it retains the swimming facility next to the library, which make access to both sites more convenient. However there were some who preferred option 2 as it would allow for swimming to be provided sooner. This was important for many disabled people as swimming was viewed as a preferred method of exercise.
- 6.11 In-depth interviews were conducted with members of the Forest Hill Pools Stakeholder Group. These interviews indicated a strong preference for option 1, as it retains the pools on the original site, retains the heritage of the old buildings, and was perceived as a positive option for the regeneration of Forest Hill Town centre. Some stakeholders liked the fact that option 2 would provide swimming sooner, and expressed a desire to see option 1 delivered sooner.

- 6.12 Organisations represented on the Stakeholder Group were invited to submit formal responses to the consultation and all responses received are included with this report in appendix B.
- 6.13 A detailed analysis of all qualitative research findings is provided in the consultation report in appendix A.
- 6.14 On 20th May 2009 a petition of 5,861 signatures was presented to full Council. The petition called on the Mayor to replace the Victorian swimming pools on Dartmouth Road as soon as possible, while retaining the frontage block. This petition did not form part of the formal consultation exercise, but the full statement of the petition is detailed in appendix C for information.

7. Options appraisal and risk analysis

- 7.1 A full options appraisal was conducted by officers and reported to Mayor & Cabinet on 25th February 2009. A high level summary of the appraisal of the two options considered in this report is presented in the table below. Raw scores are given from 1 to 5, with 1 being poor and 5 being excellent. These are then weighted 50% financial and 50% non-financial. This is intended as a high-level guide only.

Criteria	Option 1 (A&M)	Option 2 (PTEa)
Net cost	1	5
Planning risk	5	2
Delivery time & complexity	5	4
Retention of Victorian streetscape	5	4
Total score (unweighted)	16	15
Overall score (unweighted)	80%	75%
Total score (weighted 50% financial, 50% non-financial)	12	17
Overall score (weighted 50% financial, 50% non-financial)	60%	85%

- 7.2 With all criteria weighted equally, option 1 achieves the highest score with option 2 a close second. However, once affordability is taken into account, option 2 scores highest due to the financial constraints associated with option 1.
- 7.3 Option 1 delivers the baseline leisure requirement on the current Forest Hill pools site. The estimated construction cost and value of the housing receipt in today's market is detailed in section 10 of this report. The old pools frontage building is converted as part of the design and together with the residential conversion of Louise House the existing Victorian streetscape would be retained. There is no space on the site for any housing and associated land receipt.

- 7.4 Option 2 delivers the baseline leisure requirement on the Willow Way site and generates cross-subsidy from a housing development on the current Forest Hill pools site. The site is approximately 400m from the current pools site and is less prominent. This option maintains the Victorian streetscape on Dartmouth road as part of the residential development. The estimated construction costs and value of the housing receipt in today's market is detailed in section 10 of this report.
- 7.5 There are significant risks associated with delivery of both options relating to the planning issues detailed in section 9, the financial context detailed in section 10, and legal and physical site constraints of both the Willow Way and Dartmouth Road sites. Option 1 has the lowest overall risk with low planning risk (a replacement leisure building on the existing site) and no housing, countered by higher construction risks associated with retention of the frontage buildings. Option 2 is medium risk, with higher planning risk (relocation of the leisure centre and housing on the existing pools site), and financial risks associated with the housing component. Mitigation and management procedures for these risks will be established by officers according to the option chosen.

8. Delivery approach

- 8.1 The recommended delivery approach for the leisure centre in both options is to select an architect and design team to progress the existing feasibility design for the leisure centre to RIBA stage E. The design would then be novated to the Principal Contractor for the build phase. An estimated timetable for this approach is set out below.
- 8.2 Timescales are provided below based on the alternatives set out in the recommendations of this report. Option 1, to postpone the project and build on the Dartmouth Road site if possible in the future, has a later start date to allow for a potential future decision to allocate additional funding from the Capital Programme from 2012 onwards. If the decision is made to proceed with the Dartmouth Road option immediately (see 3.3.3), timescales would be similar to those indicated for delivery of option 2.

Estimated timetable - leisure centre only	Option 1	Option 2
Mayor & Cabinet decision	Feb 12	July 09
Appoint design team	Jun 12	Nov 09
Submit planning application	Nov 12	Apr 10
Appoint principal contractor	Jun 13	Nov 10
Construction commences	Aug 13	Jan 11
New building opens	Feb 15	Jul 12

- 8.3 The above delivery timescales are minimum indicative estimates only and are subject to change as the project progresses.

- 8.4 If option 2 is chosen, the same design team would develop the design for the residential development of the Dartmouth Road site to planning permission, at which point a view would be taken as to how and when to dispose of the site in order to realise the optimum land receipt.
- 8.5 Alternative procurement and design approaches, such as a design competition, have been explored by officers and are set out in detail in the Mayor & Cabinet report dated 25th February 2009. Due to the complex nature of swimming pool construction, with a high level of services input required at an early stage in the design process, a Council led project with a design team including a specialist services consultancy is considered the most appropriate and timely delivery approach in this case.
- 8.6 Project management would be led by the Council's programme management team in collaboration with officers from the cultural services division.
- 8.7 Public consultation on the design will be carried out at RIBA stage D in line with the planning application process. The Forest Hill Pools Stakeholder Group will continue to meet and will continue to provide valuable feedback on the design process as well as on progress.
- 8.8 Sustainability would be a key component of either scheme, and the final scheme will be designed to comply with the Part L regulations and to target a very good BREEAM rating (Buildings Research Establishment Environmental Assessment Method).
- 8.9 As part of the feasibility exercise conducted in early 2009, A&M and PTEa examined the options for integrating Louise House into the leisure scheme for the site. Both architects found that due to the topography of the Louise House site footprint, the incorporation of Louise House and the laundry block by means of a link to a leisure facility on the Forest Hill Pools site is not feasible. Furthermore, the internal spatial constraints required by the listing of the building prevent the conversion of the buildings to any meaningful form of active leisure use. Both architects consider the most appropriate use for these buildings to be residential conversion. Cost analysis of the feasibility plans and projected sales values indicate that this conversion would be approximately cost neutral to the Council if residential conversion works are carried out in tandem with the construction of the new pool building.
- 8.10 Officers have received some alternative suggestions for the use of Louise House and the laundry block to the rear from members of the community through the Forest Hill Local Assembly and other forums, including turning the building into an arts centre, a cinema, or a theatre, but have not as yet received any detailed proposals. The proposed delivery approach for Louise House is therefore to publicly invite detailed proposals with a submission deadline of 2nd November 2009 for analysis by officers. Proposals for the listed building must be

funded, financially robust and should comply with the Disability Discrimination Act and other applicable legislation. If no feasible alternative proposals are submitted, the project team will proceed with plans for the residential conversion of the buildings.

9. Planning Implications

- 9.1 Detailed comments from the Head of Planning on both options were provided in the Mayor & Cabinet report of 29th February 2009 and are summarised here together with recent developments to provide context for this decision.
- 9.2 Option 1 (A&M) demonstrates that retaining swimming on the existing pools site effectively meets conservation objectives by retaining the present pools frontage building, without damage to the setting of Louise House. No change of use for the current site would be required for this option, but the adjacent pocket park is designated open space under the adopted UDP. Permission for any proposed development on this land would therefore be likely to require re-provision of appropriate open space within the new scheme.
- 9.3 English Heritage have informed the Council that the existing pools building does not merit listing. Demolition and redevelopment of all or part of the old pool building would therefore be subject to legal and planning policy, with no additional restrictions. The existing pools site is not currently within a conservation area. However, the Forest Hill Conservation Area is due to be appraised in 2009 and may be extended to include these buildings. The demolition of buildings within a conservation area would require conservation area consent.
- 9.4 Option 2 (PTEa) demonstrates that a 2 pool leisure centre can be accommodated on the site. However, Willow Way is not an ideal location for a leisure centre in terms of visual prominence, and this would need to be addressed in the design of the building. Policy LCE 1 of the adopted UDP shows a strong presumption in favour of locating new leisure developments in or near town centres, and it is considered that a new pool building in Willow Way would not be in conformity with this policy.
- 9.5 The Willow Way site is currently vacant and was previously used as a Council depot and is identified as 'Defined Employment Land'. As such, there is a strong presumption to retain employment use on the site. A change of use to either residential or to swimming pool facilities would constitute a departure from the Unitary Development Plan. The London Borough of Lewisham's 'Employment Land Study' (November 2008), which will feed into the Local Development Framework, shows that Lewisham has one of the smallest economies in London. The report points out that under current plans more than half of the borough's industrial land will be lost over the next 20 years, and specifically highlights Willow Way as an area of employment land that should be retained.

- 9.6 Policy EMP3 deals with a change of use away from employment use, and states *inter alia* that the development would meet 'significant local and regional regeneration objectives, especially within Town Centres'. This argument could be made for a swimming pool on the site (subject to policy LCE1 - location of new leisure facilities), but redeveloping the site for residential purposes to cross-finance a new pool building on the Dartmouth Road site is not considered sufficient justification in this instance.
- 9.7 The proposals for the residential development of the Dartmouth Road site are generally well conceived in terms of urban design. Relocation of the leisure centre would entail the loss of the current civic hub on Dartmouth Road. Further consideration would need to be given to the viability of the proposed commercial use on the ground floor of one of the residential blocks, and the impact this would have on the local area.
- 9.8 A change of use of the current pools site to residential use could be justified if the swimming pool facilities were to be re-provided on another location, subject to the criteria for change of use set out in policy LCE2 of the UDP (Existing Leisure and Community Facilities).
- 9.9 The conversion of Louise House and the workshop to the rear to residential use is acceptable in principle, provided that this is done in such a way as to protect the building's special architectural and historic interest.
- 9.10 Regardless of the option chosen, the impact of the proposed development on the current pools site on neighbouring amenity land, such as the gardens of houses on Derby Hill Crescent, will need to be considered further as the design develops to ensure that appropriate solutions are found in terms of ambient noise levels, rights of light, and privacy issues.
- 9.11 Representatives of the Forest Hill Society have recently approached the Council's property and planning departments with a proposal to provide a live/ work development on Willow Way. Whilst the proposal was well-conceived, planning officers do not consider a live/ work development to be appropriate for this specific site, primarily because it would not provide the sufficient level of employment desired in order to protect the designated employment land use. Furthermore, residential use on Willow Way is considered undesirable in the surrounding context of commercial properties.

10. Financial Implications

- 10.1 The 2009/10 – 2011/12 Capital Programme budget report agreed by Mayor & Cabinet in February 2009 provides £9.406m for the Forest Hill Pools project. Further to this a revenue reserve of £179k was made available in 2008/09 towards the costs to date of this project. Therefore the total budget available is £9.585m.

- 10.2 The total project costs of decommissioning and securing the current buildings, feasibility, consultation work and consultancy costs to date total £381,189. Further information on the total project costs are contained within the Capital report elsewhere on the agenda.
- 10.3 The project costs and site values for each of the options are estimated in the table below. For the purposes of this report, the estimated cost of proceeding immediately with construction on the existing site is considered to be the same as delivery of option 1.

	Option 1 £m	Option 2 £m
Project cost	12.529	12.529
Site valuation	0	3.4 - 6.4
Net cost of option	12.529	6.129 - 9.129

- 10.4 The estimated project costs are based on work undertaken by Press & Starkey quantity surveyors and are based on estimated costs of construction per m2 at 4th Quarter 2010 prices. Construction tender prices are currently falling and early tendering may produce lower prices than indicated, but there remain considerable uncertainties and the costs shown above are considered to be prudent.
- 10.5 Savills plc were instructed to prepare site valuations based on the design schemes for each of the sites. The valuations detailed above take account of this advice. Given the uncertainties of the current housing market, the residential valuations are based on the market value of the site and are presented as a range based on the market rate as at Q1 2009, and valuations at the peak of the market (Q3 2007). This range is considered to be a reasonable assumption and timing of site disposal will be carefully considered by officers as the project progresses.
- 10.6 The valuations in the table above assume that residential development of the Willow Way site cannot take place in accordance with Planning Policy (see section 9). For the purposes of this report and due to current market uncertainties, residual site value for alternative employment use is assumed to be zero. If it is decided to construct the pool on the existing site, a minimal receipt may be obtained from the disposal of the Willow Way site for employment use. Any receipt obtained would be added to the Council's Capital Programme.
- 10.7 The estimated construction costs for the leisure element of both options is similar. However, the site valuation value ranges differ for each option and are explained in further detail in this section. Taking the planning designation of Willow Way into account, it is considered to be prudent not to assume a land receipt from the site and the difference in the net cost of the options becomes significant.
- 10.8 Option 1 delivers the baseline leisure requirement for a gross estimated cost of £12.529m. No land receipt from housing provision is

assumed to be available from the Dartmouth Road site for this option due to the spatial restrictions imposed on the site as a result of the listing of Louise House. The estimated net cost of this option is therefore £12.529m.

- 10.9 Postponing the project would generate additional maintenance and security costs for the Forest Hill Pools and Louise House sites of well over £100k per annum to keep the sites secure and in reasonable condition. Postponement would also increase risks for the site such as vandalism, squatting, and degeneration of the fabric of the buildings on the site, including Louise House and the laundry block, which as listed buildings, the Council has an obligation to keep in good repair.
- 10.10 Option 2 delivers the baseline leisure requirement for a gross estimated cost of £12.529m. The estimated value of the housing receipt in today's market is £3.4m. At market peak it is estimated that the housing receipt would have been £6.4m. The net cost of this option is therefore estimated at £6.129 to £9.129m depending on the level and timing of recovery in the housing market. This option is therefore affordable within the financial limits set at the current market rate. The cost of this option may fall significantly if there is a housing market recovery.
- 10.11 The future trends in development land values are unknown, but it is accepted by many commentators that values are unlikely to return to 2007 levels in the short to medium term. Uncertainty therefore remains in the current conditions regarding the timing and realisable amount of land receipts detailed in this report.
- 10.12 Estimated land receipts are based on an assumption of 100% private tenure housing for feasibility purposes. The percentage of affordable housing provided as part of the final development scheme will be addressed as the design develops, and should take into account the provision of a community leisure facility.
- 10.13 The listing of Louise House limits the development potential for the existing pools site and the ability to generate a housing receipt. In the current economic circumstances, there are risks associated with reliable evaluation of housing-related development. Option 2 anticipates a significant receipt from a housing disposal once planning permission has been sought. If this option is chosen, once planning permission is secured, a view would need to be taken on how and when to dispose of the site. Any capital receipt may need to be deferred depending on the status of the housing market.
- 10.14 A report elsewhere on the agenda provides an update of the Capital Programme and the resource implications of each of the options is contained in this report. Option 1 would require additional provision of £2.944m to be included from 2012 onwards. Option 2 is fully funded from the current programme. To commence the project on the Dartmouth Road site now would require additional provision of £2.944m from 2009-10 onwards.

11. Legal Implications

- 11.1 Under various statutory provisions extending from the Public Health Act 1875 to Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 a local authority has power to provide recreational facilities.
- 11.2 This report sets out the options available for the Mayor to consider, having regard to the outcome of the public consultation. The costs and affordability, risks and viability of each option have been set out clearly.
- 11.3 Whilst the third recommendation, which brings forward the commencement date for the first option (development on Dartmouth Road) was not put forward as an option in this recent consultation, the nature of the development would not be different from that set out in the first option, other than the timing. Additionally, the summary of responses at paragraph 6 of this Report indicates that the delay in the commencement date of the development on the Dartmouth Road site was a factor influencing many respondents in deciding which option to choose. The summary of responses from the earlier consultation last summer at paragraph 4.12 above demonstrates that a majority of respondents wished the new leisure provision on the Dartmouth Road site to be built without further delay.
- 11.4 Relevant factors for the Mayor to consider in coming to a decision are the loss of potential housing accommodation if option 2 is not followed and the greater cost of the development at the Dartmouth Road site if option 1 is followed.
- 11.5 The legal planning implications are set out in the body of the report.

12. Equality Implications

- 12.1 The public consultation referred to in this report was designed to ensure that all local residents had the opportunity to put forward their views, regardless of gender, race, age, belief, sexual orientation or disability. Tailored discussion groups were held that included young people, older people, disabled people, and people from a range of social and ethnic backgrounds. The approach to providing equal opportunity of involvement in the consultation was approved by the Mayor's communications and consultation board.
- 12.2 A new swimming pool would be operated in order to meet the Council's "Active Healthy Citizen Agenda" and would be available to all regardless of gender, race, age, belief or disability. A new facility would afford the opportunity to build a fully DDA compliant swimming pool.
- 12.3 An Equalities Impact Assessment of the provision of new leisure facilities will be undertaken at a later stage in the project, to ensure that both the design of the buildings and the leisure provision available meet the needs of all sections of the community.

13. Environmental Implications

- 13.1 A new swimming pool would be designed to meet the latest environmental standards. This would include adherence to Part L regulations and the achievement of a 'very good' BREEAM rating.

14. Crime and disorder implications

- 14.1 Reducing crime and anti-social behaviour would be a key consideration for the design of a new swimming pool and housing development. Whichever option is chosen, the new development would be 'secure by design', and would improve the street environment of Dartmouth Road or Willow Way.
- 14.2 The results of the previous public consultation indicated that many people felt the redevelopment proposals would have had a positive impact on Dartmouth Road in terms of crime prevention and reducing anti-social behaviour.

15. Conclusion

- 15.1 A robust consultation exercise has been carried out with a good response rate from local residents. The overall results are inconclusive. Telephone survey results indicate a preference to proceed with Willow Way, results from businesses and schools show a similar preference, whereas self-completion responses are finely balanced. There is strong feeling from many local residents that the existing pools site would be a better location for the new leisure centre, helping to stimulate Forest Hill town centre. This is also reflected in the high proportion of respondents indicating that they would be more likely to use the proposed facilities on the existing site than on Willow Way. However, the timetable for delivery of the new leisure centre is the issue of most concern, given both as the primary reason for respondents favouring option 2, and for opposing option 1.
- 15.2 The risks in relation to option 2 are significantly higher than for option 1, requiring a change of use for both the Willow Way and Dartmouth Road sites. This is reflected in the options appraisal conducted by officers, where option 1 outscores option 2 in all bar financial criteria.
- 15.3 The estimated net cost of option 2 is considered to be between £6.129 - £9.129m in comparison with £12.529m for option 1. This significant difference is a result of the assumed capital receipt in option 2 from a housing development on the Dartmouth Road site. As set out above, there remain real risks associated with this option. A report elsewhere on the agenda sets out the Capital Programme implications of each of the options set out in this report.
- 15.4 Residents' views on the proposals have been significantly affected by concerns over the funding and timing of the project. The recommendations of this report therefore provide the Mayor with three

alternatives: to build on the current site but postpone commencement until 2012, to commence on Willow Way now, or to commence on the current site now.

BACKGROUND PAPERS

<u>Short title of document</u>	Date	File Location	Contact Officer
Forest Hill Pools consultation data tables	July 09	Programme Mgmt Unit	Helen Ferguson
Redevelopment of forest hill pools – implications of Louise house listing and results of further feasibility work.	February 09	www.lewisham.gov.uk/ 2nd Floor, Laurence House, Programme Mgmt Unit	Andy Kitching
A&M feasibility reports - Forest Hill Leisure Centre & Housing on Willow Way	February 09	www.lewisham.gov.uk/ 2nd Floor, Laurence House, Programme Mgmt Unit	Andy Kitching
PTEa feasibility reports - Willow Way Leisure Centre & Housing on Forest Hill Pools site	February 09	www.lewisham.gov.uk/ 2nd Floor, Laurence House, Programme Mgmt Unit	Andy Kitching
Redevelopment of Forest Hill Pools - Initial Design and feasibility work and results of community engagement and consultation - Mayor & Cabinet report	September 08	www.lewisham.gov.uk	Andy Kitching
DCMS Louise House Listing Report	August 08	2nd Floor, Laurence House, Programme Mgmt Unit	Andy Kitching
Forest Hill Public Meeting 21st August 2008 - Minutes	August 08	5th Floor, Town Hall, Cultural Services	Hilary Renwick
HLM Development Options Study	June 08	www.lewisham.gov.uk/ 2nd Floor, Laurence House, Programme Mgmt Unit	Andy Kitching
PTEa old buildings conversion feasibility study	June 08	www.lewisham.gov.uk/ 2nd Floor, Laurence House, Programme Mgmt Unit	Andy Kitching
Donald Insall Assoc. Historic Buildings Report	June 08	www.lewisham.gov.uk/ 2nd Floor, Laurence House, Programme Mgmt Unit	Andy Kitching
Forest Hill Pools - Outcome of feasibility work and redevelopment options - Mayor & Cabinet report	February 08	www.lewisham.gov.uk	Andy Kitching