

REPORT TITLE: A LAND TRANSACTION IN RESPECT OF THE RIVER PARK LEISURE CENTRE SITE AND ASSOCIATED PARKING AREA

23 NOVEMBER 2021

REPORT OF CABINET MEMBER: Councillor Kelsie Learney Cabinet Member for Housing and Asset Management

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WARD(S): ST BARTHOLOMEW

PURPOSE

The University of Southampton have approached the council to express interest in acquiring the River Park Leisure Centre site fronting Gordon Road. The leisure centre on this site was decommissioned upon the opening of the new Winchester Sport and Leisure Park in May 2021.

This report proposes disposal of land to University of Southampton which would enable the university to bring forward their proposal for a transformational development to the Winchester School of Art campus at the land currently occupied by the now closed RPLC and associated parking area.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Agree, as landowner of the River Park Leisure Centre, Gordon Road, Winchester, to enter into an agreement for lease to enable the University of Southampton to progress options for the extension of the neighbouring Winchester School of Art campus on the River Park Leisure Centre site.
2. Agree the Heads of Terms as in appendix B. The Heads of Terms include a five year long 'stop date' during which time the University of Southampton will

investigate and obtain planning consent for their proposed development.

3. Agree to dispose of the land known as The River Park Leisure Centre, Gordon Road, Winchester, as identified within the red line at Appendix A, to the University of Southampton on a 150 year ground lease subject wholly to obligations set out in the Agreement for Lease.
4. Delegate authority to the Corporate Head of Asset Management to enter into an Agreement for Lease with the University of Southampton in accordance with the heads of terms. This delegation is subject to agreeing the land price with the University of Southampton in accordance with S123 best consideration provisions and other relevant valuation assumptions.
5. Delegate authority to the Corporate Head of Asset Management to enter into a ground Lease with the University of Southampton for the disposal of the land (identified as outlined in red in Appendix A), such lease to be in accordance with the above-mentioned Agreement for Lease. Disposal is subject to a 150 year Ground Lease to the university, and payment of a capital sum by the university to the council. The capital sum for the disposal is to be calculated having regard to S123 best consideration provisions and other relevant valuation assumptions.
6. Delegate to the Service Lead Legal the completion of the Agreement for Lease and the ground Lease, and any relevant ancillary agreements as are necessary to implement the recommendations above.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

#### 1.1 Tackling the Climate Emergency and Creating a Greener District

The city council has declared a Climate Emergency and is committed to sustainable development. Our Carbon Neutrality Action Plan ensures all council activity is undertaken with a view to supporting our commitment to achieving net zero carbon. We are actively working with partners to ensure that development in the district is undertaken sustainably. The proposed development would align to this ambition.

The re-use of this previously developed site which provides economic, social and community benefit supports this aim. The University of Southampton shares this commitment to sustainability, and their ambitions for development of their sites are set out in the University of Southampton Sustainability Strategy: 2020-2025.

Homes for All

1.2 This site will not be developed to provide housing for students. Restrictive covenants on this freehold title preclude use of the land for housing. This includes student housing and any other form of residential building. Housing for students using the facilities would be provided as part of the university's full development programme and any development of housing would be subject to planning approval. The Council will work with the university to assist them to identify suitable sites for the provision of new purpose-built student accommodation.

### 1.3 Vibrant Local Economy

The UK creative industry sector is valued at £11.7bn GVA and in Winchester is growing almost 5 times faster than other areas of the economy in terms of gross value added. Winchester is already well known for its strength in this area and in the architectural sector in particular. The council's Green Economic Strategy sets out the opportunity to build a cluster of national significance in creativity, design and related heritage and nature/land based professional services along with the opportunity to deepen a creativity network of scale. This development would therefore support the economic development of the city in line with the council's already stated ambitions.

The University of Southampton is a globally top ranked business incubator. Their 'Future Worlds' initiative works with aspiring founders to launch products and services and then to scale their businesses introducing them to funders, useful contacts and advisors.

The university has founded 15 new 'spinout' companies since 2015, with £117m invested in these concerns in 2020/21 (up from £65 million in 2019/20). These companies cover a wide range of sectors producing a range of materials and developing innovative processes (including creating non-clay gel for bone, cartilage and skin regeneration, to gamma radiation detection and brewing carbon neutral beer).

The University of Southampton will share their existing cultural expertise with other leading academic bodies to create new products, services and companies that could be nurtured through the organisation's renowned business incubators.

The university is committed to providing a high-quality student experience which would deliver direct community advantage through an 'open campus' ethic. This could bring a vibrancy to the area with the provision of libraries, eat/drink venues, a flexible performance and events infrastructure, a considerate landscape and greenspace stewardship and a greatly enhanced offer to young people.

Once the development is defined it would bring construction and professional jobs to the area. The value of these jobs would be quantified once the masterplan is known.

In short, the university has stated that it looks to ‘bring new ideas, opportunities and resources to Winchester that will complement existing efforts and build a creative cluster that will make a substantial contribution to the vibrant Winchester economy’.

#### 1.4 Living Well

The university is already an active partner in the city, offering creative opportunities to a range of residents as part of their commitment as a Civic University. The university is seeking to deepen and widen the opportunities for local people to experience international standard creative opportunities.

At all times free public access to North Walls Recreation Ground and the Skate Park will be maintained.

There is no impact on the surrounding outdoor sports facilities on this site – these would remain in place.

#### 1.5 Your Services, Your Voice

The council and university have an established partnership and this proposal enhances the opportunities for people local to Winchester and district to experience world class creative opportunities.

The university would consult locally on their masterplan.

## 2 OTHER STRATEGIC IMPLICATIONS

2.1 Vision for Winchester 2030 sets out ambitions around promoting culture and supporting creative endeavour, supporting our post-pandemic recovery, the environmental sustainability of our economy and the long term employability of young people.

2.2 Winchester City Council received feedback from local people when consulting upon the development of Strategic Planning Document for the neighbouring Central Winchester Regeneration (CWR) site. The responses showed a desire locally for a greater accent on culture and an improved offering for younger people. While the CWR programme will see culture take a more prominent role in the centre of the city, the prospect of the university campus potentially could enhance this, whilst bringing an influx of young people who will support local shops and business and young talent to support the vibrancy of the city as a whole.

2.3 The council’s Green Economic Development Strategy looks to support environmentally sustainable enterprise and recognises that young people are looking for opportunities to explore careers in the green economy and creative and innovative technology sectors.

## 3 FINANCIAL IMPLICATIONS

- 3.1 The land disposal will generate a capital receipt based on an independent assessment of “best consideration” and other relevant valuation assumptions. No deposit will be paid which means that the full receipt will be due on completion of the long lease.
- 3.2 The emerging financial terms for this disposal are confidential and are detailed in Appendix C which is exempt for publication. The valuation process will entail both parties appointing their own external Surveyors to prepare a valuation report. Once both valuation reports are signed off, there will be a period of negotiation to agree a final ground lease premium.
- 3.3 The council can use capital receipts to fund capital expenditure either for future projects or to reduce the borrowing requirement for previous unfinanced capital projects. However, use of the receipt for this purpose has a positive revenue benefit for the council. After financing the cost of demolition, every additional £1m of capital receipt would deliver a positive annual revenue impact of around £40,000 per annum, which would become available to spend on future initiatives.
- 3.4 The council would retain an element of the car park’s capacity (77 spaces). It is expected that users will park elsewhere in the city centre and at the park & ride which may result in a small amount of lost income overall. The estimated net income for the retained spaces is £55,000 per annum. Reducing car parking spaces in the town centre is in line with our Movement Strategy.
- 3.5 The closure of RPLC has meant that all running costs associated with the buildings have become the City Council’s responsibility. Prior to sale, the council will therefore have ongoing maintenance, utilities and repairing obligations estimated to be circa £80,000 per annum. Under the Agreement for Lease, the council would also be liable for demolition costs estimated at £2 million (current day prices).
- 3.6 The council also has a current business rates liability of circa £155,000 per annum for the leisure centre; and although work is in progress to de-list the building, any ongoing liability will cease once the site is sold.

#### 4 LEGAL AND PROCUREMENT IMPLICATIONS

- 4.1 The council has authority to dispose of land under the general power of competence provided for in section 1 of the Localism Act 2011, and section 123 of the Local Government Act 1972. Carrying out the recommended disposal would be a lawful exercise of these powers.
- 4.2 On a land disposal the council has an obligation to obtain the ‘best consideration reasonably obtainable’ (section 123 Local Government Act 1972). That best consideration can be established by way of a competitive process or by valuation exercise (or both). In this case the council is not able to satisfy the duty by reference to and reliance on the outcome of a competitive process but may lawfully gain assurance by way of separate valuation advice.

- 4.3 Disposal of the site would be in accordance with the agreed Heads of Terms which provide for delivery of the project by the university in accordance with a valid planning permission from the Local Planning Authority. The council, as landowner, would enter into the leasehold disposal on terms which make the grant of lease subject to the conditions laid down by the Agreement for Lease. Those terms also regulate the meanwhile uses of the property prior to the grant of the lease. The council is not specifying the works to be carried out or otherwise contracting on terms which engage a requirement on the council to go through a procurement exercise under the Public Contracts Regulation 2015 (PCR).
- 4.4 The Heads of Terms also contain provisions which would be incorporated into the Agreement for Lease and (if granted) the lease of 150 years. These terms have been negotiated with the university as landowner and provide suitable protections for the council, especially in relation to how the property may be used by the university during the lease term.
- 4.5 River Park Leisure Centre forms part of the council's freehold title no. P3062 which includes the North Walls Recreation Ground and the site of the Ancient Gateway of Hyde Abbey. The proposed leasehold conveyance will be granted out of the freehold interest.
- 4.6 As is common in relation to development sites, there are a number of potential adverse rights which might inhibit the proposed redevelopment, as set out in the previous Cabinet report ref CAB 3190. A more detailed legal review could be undertaken once the precise intended use of the site is known and might recommend that the proposed development area be appropriated to enable the university's development proposals to move forward. If this occurs then such appropriation is subject to a statutory process which would include a period of public consultation.

## 5 WORKFORCE IMPLICATIONS

- 5.1 Teams from across the council are engaged in this proposal but no further staffing is required other than external legal and valuation advice.

## 6 PROPERTY AND ASSET IMPLICATIONS

- 6.1 The opening of Winchester Sport & Leisure Park has offered the council an opportunity to consider options for use of the now decommissioned River Park Leisure Centre (RPLC) building and the site around it.
- 6.2 Options for redeveloping the RPLC site are limited due to restrictive covenants on the freehold title. This proposal offers the council:
- a) Delivering a development that is in line with the ambitions of local people that have been expressed via a series of consultations around the future of the city over recent years.
  - b) The prospect of securing a significant capital receipt.

- c) An enhancement of the city's tertiary educational offer and the potential long term reputational enhancements that relate to this.
- d) The site is situated on a flood plain. The council's existing Flood Alleviation Scheme would need to be preserved or enhanced as required by the formal planning application process.

## 7 CONSULTATION AND COMMUNICATION

- 7.1 There is no formal statutory requirement for consultation in this proposed leasehold disposal. The University of Southampton and the council set out proposals for the development of the Winchester School of Art campus at a Member Briefing on 20 October 2021 and at a Public Briefing on 1 November 2021 which attracted 191 attendees.
- 7.2 In addition to a public meeting, individual meetings were held with a number of stakeholder groups and organisations and this will continue.
- 7.3 The public event saw questions raised about the following matters which were responded to at the meeting:
- e) What other options were being considered for this site, including reference to the petition for a Lido
  - f) Clarification sought on the site boundaries and restrictive covenants
  - g) the scope of the facilities that would be included, for example whether there would be options for an auditorium/concert hall
  - h) Several points were made regarding the potential impact on the area:
    - (i) Stewardship of the green spaces and any impact on Winnall Moors
    - (ii) The likely size of the proposed buildings on the site
    - (iii) Whether housing would be allowed on the site
    - (iv) Whether the development would be co-designed with the public
    - (v) How buildings on the site would integrate with the outside space
    - (vi) The potential number of students who would be using the facilities
    - (vii) Whether access to the site would be retained for local people
    - (viii) 'Access for All' – whether access for people with disabilities would be supported on the site

- (ix) The impact on parking – the degree to which the existing parking capacity would be retained and publicly accessible.
- (x) The likely timescale for the demolition of the RPLC building
- i) The impact upon specific organisations was also raised including the bowling club and canoe club
- j) Other considerations regarding impact on the use of the land by St Bede's school

7.4 The council's previous consultations relating to this area (and the wider area) include engagement around:

- North Walls Recreation Ground
- Central Winchester Regeneration
- Vision for Winchester (Winchester Town Forum)
- The Green Economic Development Strategy, and
- Winchester Movement Strategy (part of Hampshire County Council's broader Movement Strategy).

7.5 This development at Winchester School of Art forms part of a wider campus enhancement aligned with the overall development plans for the university as a whole. Early stakeholder engagement is proposed by the university as part of their initial feasibility study. Stakeholders would continue to be engaged during the planning application process. It is envisaged that the development of the entire campus would be consulted upon and masterplanned prior to planning applications being submitted for individual elements of the site such as the RPLC site.

## 8 ENVIRONMENTAL CONSIDERATIONS

8.1 The university has demonstrated that their commitment to the environment is aligned with that of the council. They would aim to provide sustainable assets in terms of design as well as use. This would be tested within the masterplan and during the full business case phases of their programme.

8.2 The University of Southampton's Sustainability Strategy: 2020-2025 defines their ambition to attain net zero emissions by 2030 for Scope 1 and 2 emissions. The organisation is making Sustainability part of every university education programme by 2025 and has committed to make it a cornerstone of the research by and impact of the university's programmes. This would extend to any courses and research activity undertaken following any development on this site. The university aims for BREEAM excellence and over the last decade their new building projects have employed methods such as grey

water re-use, photovoltaic cells and passive cooling to maximise the sustainability of various new buildings.

## 9 EQUALITY IMPACT ASSESSEMENT

9.1 The Heads of Terms ensure that public access to the North Walls Recreation Ground would be retained and that a number of onsite parking spaces are available to ensure those with protected characteristics can still visit the adjacent public open space.

9.2 The City Council recognises the Public Sector equality duty and as we work through this process we will ensure that such duty will be met.

## 10 DATA PROTECTION IMPACT ASSESSMENT

10.1 There are no impacts in respect of data protection.

## 11 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure Best Consideration not achieved	The Heads of Terms are legally binding and will not be entered into if Best Consideration is not achieved.	Development of tertiary education on this site represents an opportunity to make best use of council assets.
Exposure to challenge	Risk of challenge is mitigated as the lease arrangements exclude works within the Public Contracts Regulation 2015 and therefore no procurement exercise is required.  Therefore the Heads of Terms are correctly within the Public Contracts Regulation 2015. There would be an exposure to potential legal risk if the council failed to secure best consideration	The University of Southampton will be undertaking public consultation as part of their planning application process.

Innovation	Public consultation and the formal planning process will aim to mitigate risks.	Development of this site creates a significant opportunity to enhance economic, cultural and social diversity within the city.
Reputation	Public consultation and the formal planning process will aim to mitigate risks.	The expansion of a Russell Group university in Winchester enhances the reputation of the city locally, nationally and internationally.
Achievement of outcome	The Heads of Terms contain a 5 year long stop date, at which point the land would return to the council if planning permission has not been secured.	
Property	The building has been stripped of fixtures and fittings and a business rates de-listing application is being made to mitigate ongoing costs to the council. The building has been secured and is monitored with security.	
Community Support	<p>The North Walls Recreation Ground is an important local green space and the Heads of Terms ensure that permeability through the site will be maintained.</p> <p>The increased numbers of students who may study in the city may lead to concerns regarding housing. The university is clear that appropriate provision must be made</p>	

	off site.	
Timescales	A 5 year, long-stop date is incorporated with the Agreement for Lease to allow sufficient time for the university to secure unfettered planning consent. The Heads of Terms have endeavoured to mitigate delays whilst recognising the inevitable long periods of time associated with planning and development of such schemes.	This is an opportunity to design and build an important new addition to the city and create a facility fit for the future. It will take time to work through feasibility and design options with input from stakeholders.
Project capacity	The university will be deploying a full professional team to design and manage the planning application and construction process. The council will require resources to demolish the existing structure and manage the pre-application and formal planning application process.	
Other Failure to secure planning permission for the redevelopment of the site in the requisite time scale.	<p>There is a risk relating to the granting of planning permissions. This applies to all development proposals.</p> <p>To mitigate this, proposals would need to be developed as early as possible, and in pre-application consultation with the council, as Local Planning Authority, to ensure that the development which is subject of an application has the best opportunity to receive planning</p>	

| permission. |

## 12 SUPPORTING INFORMATION:

- 12.1 The Winchester School of Art is a part of the University of Southampton, a founder member of the Russell Group of Universities. The university wishes to develop the creative offer at the Winchester School of Art to build 'a nationally and internationally recognised significant centre for art, design and creative industries education, research and innovation'.
- 12.2 With proposals to enhance the old Police Station site and the River Park Leisure Centre site, the university has plans to expand and has identified Winchester as having the potential to be a national 'seat of learning', renowned as an international 'beacon city' of academic excellence in alignment with Oxford and Cambridge.
- 12.3 Over recent months the council has been in dialogue with the University of Southampton regarding development of the River Park Leisure Centre site.
- 12.4 The university has had a relationship with the city and its council for decades, largely through the presence of the art school, Winchester School of Art which itself has been a part of the city for over 150 years. Recently, in the context of shaping its plans for the growth of WSA and the improving of its campus, the university's new institutional strategy has been set and is soon to be approved by its governing body (the University Council). In this context, the possibility of acquiring the RPLC site has prompted some ambitious and compelling discussions around the vision that the city of Winchester and the University can be more strategically intertwined.
- 12.5 The new University Strategy is set to support growth – not just in numbers of students, but in research and enterprise reach and impact, and in its civic role as a regional 'anchor institution', delivering significant socio-cultural and economic value. This does not immediately generate a fixed and specific plan (to move a particular activity/faculty to Winchester, for example), but rather, has suggested that the RPLC site could provide the opportunity to do something newly creative, different and multidisciplinary in a new facility, which would have a cultural, entrepreneurial, publicly engaging presence, as well as being a centre for research and learning.
- 12.6 Considering this proposal from the University of Southampton supports the Council Plan, such that it provides a use for this land asset which is anticipated to bring considerable benefits to the city.
- 12.7 The potential benefits include:
- The provision of facilities and opportunities for younger people;

- Improved economic benefits from a (planned for) increase in student population;
- The establishment of a central hub for our already well established creative, digital/technical sector;
- The enhancement of the city's cultural offer in an area of considerable historic importance (the heritage site of Hyde Abbey and the Hyde Gateway are adjacent to the area). The provision of an accessible cultural resource within the development could therefore meet local demands around promoting vibrancy in this area and also garner possible economic benefits from the visitor economy.
- The university propose to take a contextually astute approach to any development, considering carefully with the city council, the local and regional context - environmentally, culturally, and economically - to ensure new activities will be well-tuned to needs, opportunities and challenges. A development on the RPLC site, alongside a developing art school, would deliver tangible benefits, not just in terms of longer-term economic impact (jobs, skills, business support etc), but also would deliver direct community advantage through an 'permeable campus' ethic, libraries, eat/drink venues, flexible performance and events infrastructure, considerate landscape and greenspace stewardship, and a greatly enhanced offer to local citizens, of all ages, including young people.

12.8 This proposal to expand teaching at the Winchester School of Art would lead to an increased number of students attending the Winchester campus to study. The university understand that appropriate numbers of student housing units will be required but cannot be provided for on site. The council have previously provided introductions to appropriate developers where opportunity has arisen and is actively engaged with the university on helping them find the most appropriate solution for student housing provision.

12.9 The Agreement for Lease is proposed to enable the university to bring forward their proposal for a transformational development to the Winchester School of Art campus at the land currently occupied by the now closed RPLC and associated parking area. The campus development will further cement the University of Southampton as a world leader in creative industries and enhance the reputation of Winchester as a creative centre in the UK.

12.10 The Agreement for Lease includes a five year long stop date during which time the University of Southampton are obliged to progress and secure planning consent for the development of educational buildings. If this does not happen, the Agreement falls away. Upon approval of planning by the Local Planning Authority, the council, as landowner, and the university are able to enter into a lease for land identified as outlined in red in the appendix to the university on a 150 year ground lease, subject to the payment of a capital

sum. The capital sum for the disposal will be calculated having regard to S123 best consideration provisions.

- 12.11 The site has become available at a time when the university is in a position to consider it for development in line with their University Strategy. This offers a unique, once-in-a-generation opportunity to work together to realise aligned ambitions for both the council and the university.
- 12.12 The arrangements between the university and the council during the Agreement for Lease period would be governed through a steering group – details of which will be finalised subject to the Cabinet approving the recommendations of this report.
- 12.13 The future of the River Park Leisure Centre site has been under review since the opening of the new Winchester Sport and Leisure Park. Public interest in the site remains active. Through various consultations the public have provided the council with the following ideas for use of the site:
- Housing/affordable housing
  - Care setting for the elderly
  - Primary school
  - Start-up spaces for businesses
  - Community centre
  - Theatre/concert hall
  - Open air theatre
  - Arts centre
  - Museum
  - Adult Education College
  - Café and toilets
  - Council offices
  - Reinstatement as a sports centre
  - Lido
  - Outside gym
  - Artificial turf pitch/football ground
  - Indoor tennis club/tennis courts
- 12.14 Not all of these ideas can be progressed due to the restrictive covenants and/or affordability; However some are already incorporated in other ideas such as the café being included in the North Walls Park Plan and the Museum being considered among options for the Central Winchester Regeneration scheme.
- 12.15 A current petition exists to gather support for a lido at the North Walls Park. Members and officers have met with the petition organisers to understand their ideas and shared information concerning the suitability of the site under discussion. The 2013 'River Park Leisure Centre Flood Risk Design Note' produced to aid the Council in identifying the location for a new leisure centre is available on the Council website along with the associated Environment Agency opinion. The site is in a flood risk area and the

groundwater levels are less than a metre below the surface. Winchester Town Forum Members have offered to work with the petition organisers to look at outdoor swimming opportunities in and around the Winchester Town.

12.16 The proposal that the council has received from the University of Southampton would deliver the council's ambitions for this site. For example, the proposed expansion includes a publicly accessible performance space, a benefit for the city which has been requested by residents from previous consultations. This proposal is also income generating as outlined in the Financial section of this report.

12.17 Entering into an Agreement for Lease would commit the Council to granting a 150 year ground lease to the university, provided planning permission for tertiary educational buildings on the RPLC site is secured within 5 years. Under the Heads of Terms, the university have a further 5 years before work starts on site, failing which, the council has the opportunity to buy the site back for the same consideration paid by the university.

### 13 The Heads of Terms

13.1 A copy of the detailed draft terms can be found at Appendix B and include the following provisions.

<b>Seller</b>	Winchester City Council (WCC)
<b>Buyer</b>	University of Southampton (UoS)
<b>Property</b>	The site of the former River Park Leisure Centre (RPLC), including the Riverside Indoor Bowling Club and the Skate Park plus adjoining southern car park.
<b>Tenure</b>	The property is to be sold on a 150 year long lease subject to an Agreement for Lease
<b>Price</b>	The price is to be determined before completion of the agreement for lease and paid on completion of the long leasehold purchase
<b>Demolition &amp; remediation</b>	Winchester City Council will retain control over the procurement and timing of demolition subject to an obligation to provide The University of Southampton with a cleared and remediated site.
<b>Conditions &amp; Timing</b>	<p>The purchase will be conditional on The University of Southampton securing an unfettered planning permission (together with any associated planning or statutory agreements) within five years of completing the agreement for lease.</p> <p>If the university does not obtain planning consent within 5 years from the date of the Agreement for Lease, then either party may terminate the Agreement for Lease.</p>

	The University of Southampton would have an option to terminate if, at any time, it believes that either there is no reasonable prospect of obtaining planning consent or that the campus scheme cannot be viably delivered.
<b>Planning</b>	The parties will agree a brief scheme description/narrative (but without any visuals or masterplan graphics) to include in the Agreement for Lease. It includes provision for a publicly accessible performance space but without any fixed parameters around that as to the scope and extent.
<b>UoS's works and WCC's buy-back</b>	If UoS does not implement (meaning material works) the planning permission for the campus scheme within 5 years from completing the purchase of the Property WCC may buy back the Property.
<b>Lease terms</b>	<p>The key terms of the long lease are:</p> <ul style="list-style-type: none"> <li>• 150 year term contracted out of security of tenure</li> <li>• Peppercorn rent</li> <li>• Special terms in relation to the skate park for (i) UoS to retain the skate park (subject to any reasonable relocation or remodelling to better incorporate it into the campus scheme environment) and/or (ii) WCC to have reasonable input into the UoS's management of the skate park land as a community use to the reasonable satisfaction of WCC</li> <li>• The permitted use is to be restricted: <ul style="list-style-type: none"> <li>○ throughout the term so that the Property shall not be used <ul style="list-style-type: none"> <li>▪ for residential accommodation (including student residences); nor</li> <li>▪ for state education of primary or secondary provision (but with a suitable carve out to prevent this restriction prohibiting outreach initiatives and other school engagement as part of tertiary education / university use)</li> </ul> </li> <li>○ for the first 35 years to principal uses only of or in connection with tertiary education including ancillary university purposes only.</li> </ul> </li> </ul>
<b>WCC support</b>	WCC will continue to manage the Property including vacant buildings and will not deal with the Property in any manner which is inconsistent with the UoS's objectives (or otherwise in any way to

	<p>the detriment of UoS) prior to purchase.</p> <p>WCC, in its capacity as owner of the Property (and not so as to fetter its discretion as planning authority), to provide the UoS with reasonable support with its master-planning, feasibility and the planning processes and with discussions with the Riverside Indoor Bowling Club.</p>
<b>Costs</b>	Each party is to be responsible for its own costs.

#### 14 Planning Considerations

- 14.1 The RPLC site is located just outside the settlement boundary of Winchester in an area defined in the adopted Local Plan as countryside but is occupied by the former leisure centre building so falls within the definition of previously developed land for planning purposes.
- 14.2 Policy DM1 (Location of new development) and Policy MTRA4 (Development in Countryside) which guide the location of new development within the district, would apply to any redevelopment proposals for the land, and identify the types of development that will generally be acceptable in the countryside. Any development proposals would need to accord with all the other relevant development plan policies, and national planning guidance, which relate to the more detailed aspects of schemes including matters such as sustainability, high quality design, and relationship with neighbouring uses, biodiversity impact and flood risk.
- 14.3 The site is also adjacent to the South Downs National Park (SDNP). There are views into, and out of the site, to the park which will be one of the key matters to consider when bringing forward plans for the redevelopment of the site (Policy CP18 – South Downs National Park).
- 14.4 As mentioned at paragraph 28 above the site falls within the definition of previously developed land. This means that, in accordance with paragraph 85 of the National Planning Policy Framework, the use of such land, and sites that are physically well-related to existing settlements, should be encouraged where suitable opportunities exist.
- 14.5 As the proposals by the university are likely to increase the number of students, and student accommodation is not going to be put forward on this site, it will be important that any scheme for the redevelopment of the RPLC land comes forward with a strategy designed to address the demand for additional student housing in the city.
- 14.6 The council is currently in the process of producing a new Local Plan and will consult on a draft document next year. This provides opportunity to review the

policy context of the town, including this site, particularly given the recent closure of the leisure centre building

## 15 The Process

15.1 Cabinet are being asked to approve this Agreement for Lease based on the principles of Best Consideration. In this case the factors considered to be considered will be

k) Capital Value Market Valuation

l) Council Corporate Strategy

m) Local Plan Policy

15.2 Taking these factors into account the capital receipt will be assessed by an independent valuer in accordance with S123 'Best Consideration' principles.

15.3 A steering group will be put in place to provide structure to the governance of the arrangements. Terms of reference and attending parties will be established as next steps.

## 16 OTHER OPTIONS CONSIDERED AND REJECTED

16.1 In addition to the ideas proposed to the Council as highlighted in section 12.13 of this report, the following options have also been considered.

16.2 Option 1: Refurbishing the existing River Park Leisure Centre

Previous committee reports considered the option of refurbishing the existing leisure centre but it was determined that the building was beyond its useful life and would require in excess of £10 million to bring it up to a suitable standard. Although the old leisure centre was much loved locally, in addition to the new sport and leisure park at Bar End, there are several other private leisure providers in the city centre.

This option is not recommended

16.3 Option 2: Potential site for housing development.

This is not an option due to the prevailing restrictive covenants.

16.4 Option 3: Demolition and restoration as public open space

The old leisure centre is sited at the entrance to North Walls Recreation Ground and although it would be possible to demolish and restore the site to public open space this is not recommended because it does not take the opportunity to make the best use of the site when other uses would deliver better cultural and economic advantages for local people and the wider city.

This option is not recommended

16.5 Option 4: Redevelop for surface car parking.

There are 192 spaces on site at the moment and the Heads of Terms retain 77 spaces. Development of the site for surface car parking would be contrary to the Council's Carbon objectives and Movement Strategy.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3319 WINCHESTER DISTRICT GREEN ECONOMIC DEVELOPMENT STRATEGY – October 2021

CAB3242 - RIVER PARK LEISURE CENTRE DECOMMISSIONING dated 24 June 2020

Other Background Documents:-

[RIVER PARK LEISURE CENTRE FLOOD RISK DESIGN NOTE](#)

[City of Winchester Movement Strategy](#)

[Vision for Winchester 2030](#)

APPENDICES:

Appendix A – Plan of Site

Appendix B – Heads of Terms

Appendix C – Exempt paper - Ground Lease Premium (Land Price)