

Report



Cabinet

Part 1

Date: 22nd February 2021

Subject: City Centre Leisure and Learning Consultation Response

Purpose To provide the cabinet with an update on the recent consultation on City Centre Leisure and Learning proposals and request permission to proceed.

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Ward All

Summary

On 16 December 2020, the cabinet agreed to consult with the public on proposals to build a new environmentally sustainable and energy efficient leisure and wellbeing facility on a brownfield site overlooking the River Usk and allocate the existing Newport Centre land to Coleg Gwent for the purpose of relocation of their further education campus into the city centre.

This report provides information on the consultation responses and requests permission to proceed with the plans.

Proposal

Cabinet is requested to:

- Agree to proceed with the design and construction of a new leisure and wellbeing facility on the expansion land site, subject to obtaining all necessary consents.
- Approve the capital envelope and proposed funding of £19.7 million to deliver the scheme.
- Agree to the re-appropriation of the Newport Centre site from Leisure provision to regeneration purposes and agree to the disposal of the site to Coleg Gwent by way of a 250-year development lease at net market value, taking account of all demolition and other allowable costs, and on such other terms and conditions to be agreed by the Head of Law and Regulation and Newport Norse, subject to all necessary consents.
- Authorise officers to agree and complete all necessary documentation in relation to the scheme and the disposal.

Action by Head of City Services, Acting Head of Regeneration, Investment and Housing and Head of Law and Regulations.

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Head of Law and Regulation
- Head of Finance
- Head of People & Business Change
- Head of Education
- Newport Live
- Coleg Gwent
- Cabinet Member for Economic Growth and Investment
- Cabinet Member for Culture and Leisure
- Cabinet Member for Assets
- Cabinet Member for Education and Skills
- Cabinet Member for Sustainable Development

Signed:

Background

The Newport Centre is the oldest facility within the Newport City Council leisure estate. Built in 1985, the facility originally comprised of a range of leisure facilities, a swimming pool and a multifunctional sports hall. Over time, the condition of many of the facilities has deteriorated due to their age and some are at the end of their usable lifespan. Changes in legislation now also prevent the viable use of the sports hall as an events venue without major investment, compounded by an events world where the business model for events has been transformed with the development of significantly bigger facilities. As a result of these factors and coupled with the increasing cost of maintenance, staffing and energy overheads, the facility is no longer commercially viable.

Within the city core 'area of focus', the city centre Master Plan identifies the opportunity to create a Newport Knowledge Quarter in the area around Friar's Walk and the USW campus. The redevelopment of a new leisure facility on land opposite the Newport Centre presents us with an opportunity to release the existing site to relocate Coleg Gwent's Nash Campus into the city centre. The current Nash campus needs significant investment and the provision of Further Education and Higher Education in the city centre provides Coleg Gwent with an opportunity to provide a new, modern and fit for purpose facility in a more accessible location as well as enabling the Council to deliver upon the Council's vision of delivering a Newport Knowledge Quarter in the heart of the city centre.

On 16 December 2020 the cabinet agreed to consult on the proposal to build a state of the art modern, energy efficient and flexible leisure, health, and wellbeing facility on a vacant brownfield site on the riverfront, comprising of

- A modern leisure pool
- Conventional pool
- Family friendly wet changing facilities
- Fitness Suite and studios and dry changing facilities
- Roof garden / active roof
- On site café and relaxation areas
- On site bike storage/active travel connectivity
- Enhanced accessibility for all users

By progressing the development of new leisure facilities on the new site we would enable the existing Newport Centre land to be released to Coleg Gwent, facilitating the delivery of a modern further education offer in the city centre – the Newport Knowledge Quarter.

The brand-new facility would be in the region of 20,000sqm, comprising teaching space, science and technology labs, hair, beauty and catering facilities, staff, and welfare areas, together with workshop space for a wide range of courses. The site is clearly in an accessible location, with excellent access to existing transport modes, particularly the bus station. Approximately 2,000 students would be based at the new campus and, whilst Covid-19 has affected the way courses are currently being delivered, Coleg Gwent have confirmed that there is still a need for face-to-face tuition, particularly in relation to vocational courses.

The provision of both a new leisure and education facility will deliver new landmark buildings in the city centre, resulting in increased footfall and generating confidence in Newport as a result of public sector-led major investment. It will positively:

- Boost the economy of Newport and the wider region
- Create a fit for purpose, modern leisure and wellbeing facility for the people of Newport
- Enable the regeneration of long-standing brownfield site in the city centre
- Provide a new attraction and reason for people to visit Newport

- Improve educational outcomes creating seamless 'learning pathways' to Higher Education
- Improve the physical infrastructure of Newport city centre
- Promote health and wellbeing, encouraging people to engage and become more active
- Support the sustainability of the Council's operating model for leisure

Consultation Feedback

The consultation period ran from 17 December 2020 to 29 January 2021, using a range of communication and engagement methods with a total of 1,022 responses received. This high response rate gives statistical reliability and means that the overall results should be indicative of the wider Newport population.

In summary:

- 1,022 survey responses were received, 13 of these were submitted in Welsh
- 94% of people who responded indicated that they would like to see new leisure and wellbeing facilities in Newport
- 85% of respondents indicated that they supported the reuse of the Newport Centre for the provision of a college campus
- 74% said that they would use new facilities more often
- 45% of respondents indicated that they would prefer Option 1 (larger swimming offer and no multifunctional hall)
- 42% of respondents indicated that they would prefer Option 2 (smaller swimming offer with a multifunctional hall)
- 12% of respondents indicated no preference
- 14% of respondents believed that new leisure facilities would disadvantage people – the majority of these responses expressed a concern about the lack of cricket provision. Other concerns included the cost of parking and potential cost for use for less affluent households and the increased distance from bus/train stations
- When asked what most important, most popular answers were modern facilities (40%), swimming for fitness and learning (30%), a larger swimming pool (29%), facilities that are accessible to all (28%), having fun pools (25%) and a sport and physical activity hall (24%)

Demographic monitoring questions indicated that responses came from a relatively even split of people who identified as either male or female. The majority of respondents were between 25 - 54 years old, with the largest proportion being 35 - 44. There were fewer responses from both younger people (under 24) and older people (65 and older).

5% of respondents indicated that they were Welsh speakers and 6% identified as disabled. 90% of respondents identified as White British, with low numbers of respondents from a BAME background – around 5% compared to a population of 10% at the last census. 4% of respondents indicated that they identify as lesbian, gay or bisexual, and less than 2% of respondents indicated that they were non-binary or transgender.

Respondents indicated a range of religious beliefs, in line with census population data. Around 40% of respondents had caring responsibilities for children of school age, 14% for children of pre-school age and 10% cared for a dependent adult.

Details of the consultation can be found in Appendix 1

The results of the consultation show overwhelming support for building a new leisure centre, as well as a real desire to have an inclusive facility for the health and wellbeing for the community.

The consultation proposed two alternative approaches to the use of the site. Option 1: a larger swimming pool and Option 2: a slightly smaller swimming pool but with added benefits of having a multi-functional hall. The responses were split, with a slight favouring for Option 1 (45%) over Option 2 (42%). As such it is proposed to look to integrate the two concepts in the final design.

Financial Summary

The total cost of the project has been estimated at £19.7m. The final, detailed financial model is in development and the Council is currently exploring a range of funding options. This includes the Council's capital reserves, Welsh Government funding and its operating subsidy arrangements with Newport Live. The following table provides a summary of the current headline cost estimates and potential funding sources.

CAPITAL (£'000s)	
Capital Investment required	£19,721
Funded by	
Capital borrowing (financed by reduction in Newport Live subsidy) *	£8,194
External funding(not yet approved)**	£7,027
Earmarked Capital Reserves***	£3,500
Capital Receipts***	£1,000
Total	£19,721

*Newport Live have identified an annual saving of £450K, generated by moving the provision of city centre leisure services to a new more efficient facility. This saving reduction would impact on the Council's subsidy to Newport Live, which when capitalised, generates the £8.1m identified above.

**As part of the funding requirements of this project, an application has been submitted requesting £7.027m investment into the project from the Welsh Government Transforming Towns programme. We are awaiting outcome and details for this.

***It is proposed that the remaining costs will be met from the Council's existing capital programme, (capital receipts and borrowing).

Risks

The current risks are set out in the risk register below, due to the complex nature of the project, the risk register is monitored by the project board.

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
WG declines to award funding	H	L	The provision of a Newport Knowledge Quarter has been established through the adopted city centre Master Plan and has been included on forward funding programmes with Welsh Government. Whilst the funding is for the new leisure facility, the relocation to the Expansion Site will release the Newport Centre site for the Knowledge quarter initiative and a potential investment of £90m.	Head of Finance
Not enough demand in the future for the facilities provided in the build	H	L	The multi –purpose dry areas will be flexible enough to meet any changing future demand	Head of City Services
WG do not agree to the release of the joint venture land for leisure purposes	H	L	Welsh Government have been kept fully informed of the proposals for the Expansion Site and are aware of the benefits which are derived from not only an improved leisure offer but also the relocation of Coleg Gwent campus into the city centre.	Acting Head of Regeneration, Investment and Housing
Reputational risk	L	L	Detailed communication and consultation strategies involving citizens in the development of the offer	Head of City Services
Cost escalation Delays in starting the build and any other ongoing delays due to external factors which result in escalating costs -	H	M	Working within the pre-agreed financial envelope and a robust contract management approach.	Head of City Services

Links to Council Policies and Priorities

This development would be in keeping with the adopted Local Development Plan, Economic Growth Strategy, city centre Master Plan, Corporate Plan and Local Well-being Plan.

This proposal meets the following commitments and well-being objectives of the council as specified in the Corporate Plan 2017 – 2022

Thriving City

- Real progress on transforming Newport city centre through redevelopment

Aspirational People

- The City has modern, increased Tertiary education capacity that meets the needs of Newport's future economic and social changes

Well-being Objectives

1. To improve skills, educational outcomes and employment opportunities

The opportunity offered by the new build will enhance the development of the Newport Knowledge Quarter. This will provide residents with enhanced FE and HE opportunities in an accessible and modern facility.

2. To promote economic growth and regeneration whilst protecting the environment

The new build will attract people into the city centre to use the facilities, which will increase footfall in the city centre. Due to the central location many residents will be able to walk, cycle or use other sustainable forms of transport to access the building. Any new facility will be built to BREAM excellent standards, with sustainability and future proofing at its core. Together with the new Coleg Gwent building, enhancements to Usk Way and the active travel connectivity, this will create high quality place and green lung, right at the heart of the city centre.

3. To enable people to be healthy, independent and resilient

The building will provide a wide range of activities aimed at promoting improved physical and mental health and wellbeing as well as offering community facilities where people can meet. The offer will be affordable and delivered in an attractive, accessible location with good transport links.

4. To build cohesive and sustainable communities

Cohesive communities are those which are able to meet and support each other. The building can act as a focal point for local groups and individuals to come together.

Options Available and considered

Option 1

- Agree to proceed with the design and construction of a new leisure and wellbeing facility on the expansion land site, subject to obtaining all necessary consents.
- Approve the capital envelope and proposed funding of £19.7 million to deliver the scheme.
- Agree to the re-appropriation of the Newport Centre site from Leisure provision to regeneration purposes and agree to the disposal of the site to Coleg Gwent by way of a 250-year development lease at net market value, taking account of all demolition and other allowable costs, and on such other terms and conditions to be agreed by the Head of Law and Regulation and Newport Norse, subject to all necessary consents.
- Authorise officers to agree and complete all necessary documentation in relation to the scheme and the disposal.

Option 2

- Do not proceed with the new leisure and learning project

Preferred Option and Why

Option 1

- Agree to proceed with the design and construction of a new leisure and wellbeing facility on the expansion land site, subject to obtaining all necessary consents.
- Approve the capital envelope and proposed funding of £19.7 million to deliver the scheme.
- Agree to the re-appropriation of the Newport Centre site from Leisure provision to regeneration purposes and agree to the disposal of the site to Coleg Gwent by way of a 250-year development lease at net market value, taking account of all demolition and other allowable costs, and on such other terms and conditions to be agreed by the Head of Law and Regulation and Newport Norse, subject to all necessary consents.
- Authorise officers to agree and complete all necessary documentation in relation to the scheme and the disposal.

Comments of Chief Financial Officer

This report details the findings from the public consultation exercise. There have been no changes to the funding envelope detailed in previous reports. The reduction in the Newport Live subsidy will fund £8.1m of Council borrowing as the report shows and the use of capital reserves/receipts has a relatively small additional revenue cost associated with it. There remains a shortfall in funding currently and an application has been submitted to Welsh Government for a grant as part of the required financial envelope. Their support in funding the proposal is important and will be updated at the meeting.

Comments of Monitoring Officer

The proposed action is in accordance with the Council's legal powers to provide sports, leisure and recreational facilities under section 19 of the Local Government (Miscellaneous Provisions) Act 1976 and to acquire and dispose of land and property for the purposes of these function and in connection with its regeneration powers, in accordance with sections 120 and 123 of the Local Government Act 1972. Cabinet agreed in December 2020 that the existing facilities at the Newport Centre are no longer fit for purpose and it was not economically viable to bring them up to the necessary standard. Therefore, the Cabinet agreed to consult with the public regarding alternative options for the re-provision of sports and leisure facilities on a city centre site adjacent to the university building and the regeneration benefits of releasing the existing Newport Centre site for the purposes of relocating Coleg Gwent.

Although there is no express statutory duty to consult in relation to the provision of sport and leisure facilities, the Council has always undertaken full public consultation and stakeholder engagement before taking any decision which may impact upon the delivery of any public service, in accordance with the principles of fairness and legitimate expectation. In addition, when taking decisions of this nature and in exercise of its functions, the Council is required to have due regard to its public sector equality duty under section 149 of the Equality Act 2010. It was intended that the consultation responses would help to inform the final Fairness and Equality Impact Assessment which is attached to this report.

The consultation responses set out in the Appendix to this report do not raise any concerns regarding any adverse impact caused by the re-provision of sports and leisure services at the new facility. In particular, no issues have been identified which could have any disproportionate impact on any user groups who have "protected characteristics" under the Equality Act, such as the elderly or the disabled, or any socio-economic disadvantage.

Therefore, Cabinet are able to take the decision to proceed with the new leisure facility and to release the Newport Centre site to Coleg Gwent and to allocate specific capital funding for this purpose, subject to the necessary planning consents being granted for both schemes. The disposal of the Newport centre site to Coleg Gwent will require the grant of a 250-year development lease, at a net market value,

allowing for costs of demolition and site clearance. The determination of the net market value under the lease will satisfy the statutory requirement under section 123 of the Local Government Act 1972 to secure the best price reasonably obtainable for the site. In addition, the use of the site by Coleg Gwent will secure significant regeneration, social and economic benefits. Cabinet will need to agree to re-appropriate the Newport Centre site from leisure use to regeneration purposes and then release the land to Coleg Gwent for the development of their new facility. The final terms of the legal documents for both schemes will be signed-off by officers under delegated powers.

Comments of Head of People and Business Change

The proposed development of a new city centre sports and leisure facility along with a new further education campus would represent a major contribution to the regeneration of Newport's central area whilst also improving the wellbeing of our residents and attracting visitors. The city centre location promotes active travel and use of public transport and the new buildings will meet stringent sustainability standards. The integration of modern leisure and learning within the existing city centre is intended to strengthen its competitiveness, diversity of offer and vitality.

In preparing this report a major consultation and engagement programme was undertaken, which demonstrated overwhelming support for a new sports and leisure facility and college development. There was however no clear preference for the specific leisure option. Should the Cabinet agree to move forward with the proposal further engagement will take place to ensure that the development and the provision is in line with public demands with the intention of increasing participation in sports and leisure.

A detailed Fairness and Equalities Impact Assessment is appended to this report and was informed by the many hundreds of comments received during the consultation.

Comments of Cabinet Members

Cabinet Member for Economic Growth and Investment:

The benefits associated with these proposals cannot be underestimated, from increased footfall to sustain our businesses, new environmentally sustainable, modern and accessible leisure and learning facilities, and the delivery of the Council's commitment to provide a Knowledge Quarter in the heart of our City. I am delighted with the level of positive response to the consultation and look forward to progressing with this project.

Cabinet Member for Culture and Leisure:

I fully support the proposals. Newport residents deserve a City Centre leisure facility which is fit for purpose, modern, energy efficient and accessible for all users. I'm pleased that so many people responded to the consultation and the overwhelming support the plans.

Cabinet Member for Assets:

The development of new leisure, wellbeing and learning facilities in the City Centre is a positive proposal and an effective use of Council assets. The existing Newport Centre has served the people of the City from all backgrounds. I welcome these exciting and bold plans for our City Centre.

Cabinet Member for Education and Skills:

This exciting proposal to relocate Coleg Gwent's Nash campus into the City Centre is very welcome and will provide young people with the opportunity to learn in a modern, state of the art facility. The development will align with the Council's commitment to deliver a Newport Knowledge Quarter where world class further education and higher education facilities are provided in a central location that is accessible via sustainable public transport and active travel routes.

Cabinet Member for Sustainable Development:

The development of a new, environmentally sustainable, accessible health and well-being facility is an exciting opportunity to ensure that new Council developments are energy efficient and contribute towards the Council's commitment to reduce our carbon footprint. I welcome the requirement that the new facility is built to BREAM excellent standard and would encourage the use of green walls and roofs in order to maximise environmental benefits right at the heart of the City Centre. It is encouraging to see such a high level of response to the consultation, which shows that the public are really engaged in this exciting project.

Scrutiny Committees

None

Equalities Impact Assessment and the Equalities Act 2010

A statement on potential equality impact and considerations being made in relation to this proposal is included with this report. A full Fairness and Equality Impact Assessment has also been completed

Wellbeing of Future Generations (Wales) Act 2015

The Well-being and Future Generations (Wales) Act seeks to improve the social, economic environmental and cultural well-being of Wales. Public bodies should ensure that decisions take into account the impact they could have on people living in Wales, in the future. The Council has always sought to engage with residents before taking any decision which may impact upon the delivery of any public service, in accordance with the principles of fairness and legitimate expectation.

The 5 main considerations in respect of the Wellbeing of Future Generations (Wales) Act 2015 are set out below with an explanation of how this project meets these objectives:

- Long term: An investment in modern leisure facilities and the Knowledge Quarter will contribute to the ongoing regeneration of the city centre, the promotion of the health and wellbeing agenda, and the provision of environmentally sustainable and accessible facilities which are well integrated with public transport provision.
- Prevention: The Newport Centre is no longer considered commercially viable and the facilities are at the end of their life. The new facility will be built to BREEAM excellent standards, with sustainability and future proofing at its core. Together with the new Coleg Gwent building, enhancements to Usk Way and the active travel connectivity, this will create high quality and sustainable place and green lung, right at the heart of the city centre which will contribute to the ongoing wellbeing of residents.
- Integration: The redevelopment plans are intended to secure integrated wellbeing gains, particularly through the selection of a city centre location and the potential to include a new college campus. This aligns with the ambitions set out in the Corporate Plan and city centre Master Plan.
- Collaboration: Working alongside partners including Coleg Gwent and Newport Live will help ensure that wellbeing gains are achieved through the redevelopment proposals.
- Involvement: An extensive programme of engagement and consultation with stakeholders has taken place to inform the redevelopment options and help ensure that the wellbeing gains are maximised.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is considered that there would be no significant or unacceptable increase in crime and disorder as a result of the proposed consultation.

Consultation

Community and stakeholder consultation ran from 17th December 2020 until 29th January 2021.