

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to: CABINET
Report of: CORPORATE DIRECTOR, ECONOMY
Date of Decision: 17th April 2018
SUBJECT: SALE OF FREEHOLD TO UNIVERSITY OF BIRMINGHAM – BIRMINGHAM RESEARCH PARK, EDGBASTON AND TIVERTON ROAD POOL & FITNESS CENTRE, SELLY OAK

Key Decision: Yes
Relevant Forward Plan Ref: 004908/2018
If not in the Forward Plan: Chief Executive approved
(please "X" box) O&S Chair approved
Relevant Cabinet Member(s) or Councillor Ian Ward – Leader of the Council
Relevant Executive Member:
Relevant O&S Chair: Councillor Mohammed Aikhlaq - Corporate Resources and Governance
Wards affected: Edgbaston, Selly Oak

1. Purpose of report:

- 1.1 To note the surplus declaration and freehold disposal of Council owned land and property at Tiverton Road Pool & Fitness Centre, Birmingham Research Park and site on Vincent Drive, and the intention to conclude negotiations with the University of Birmingham (UoB) for the sale of the assets.
- 1.2 The subject sites are shown edged black on the enclosed plans at Appendix 1.
- 1.3 An accompanying Private report contains confidential information on the sale.

2. Decision(s) recommended:

That Cabinet:

- 2.1 Note this report.

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3. Consultation

3.1 Internal

- 3.1.1 The Leader of the Council, Deputy Leader of the Council and the Corporate Director of Place have been consulted regarding the contents of this report and are fully supportive of the report proceeding to an executive decision.
- 3.1.2 Officers from Legal Services, City Finance, and other relevant officers from the Economy and Place Directorates have been involved in the preparation of this report and support its proposals.
- 3.1.3 The relevant Ward Forums have been consulted. The detail of this consultation is set out in Appendix 2 of this report.
- 3.1.4 Previously internal consultation was undertaken in 2013 regarding the proposed closure of Tiverton Road Pool & Fitness Centre as part of the Sport and Physical Activity Review and Transformation of the Leisure Service report to Cabinet on 16th December 2013.

3.2 External

- 3.2.1 No external consultation has taken place regarding the content of this report.
- 3.2.2 Previously external consultation regarding the closure of Tiverton Road Pool & Fitness Centre was undertaken with Sport England, The Amateur Swimming Association (ASA) and service users as part of the 2014/2015 Budget consultation process. The outcome of this consultation was that the facility would close following the opening of the new 50m pool by the University of Birmingham.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

- 4.1.1 The proposal contributes towards the strategic outcomes outlined in the Council Plan and Budget 2018+, specifically to help deliver a balanced budget and contribute to the Council's plan to rationalise its property portfolio as part of its asset management programme.

4.2 Financial Implications (How will decisions be carried out within existing finances and Resources?)

- 4.2.1 The disposal of surplus assets will generate capital receipts to help support the Council Plan and Budget 2018+, and contribute to key business priorities.
- 4.2.2 The closure of the Tiverton Pool and Fitness Centre will result in reduced costs of £0.350m per annum. The continued operation of the Pool and Fitness Centre has created budget pressures which have been contained within the Council's overall approved revenue budget.

4.3 Legal Implications

- 4.3.1 The power to acquire, dispose and manage assets in land and property is contained in Section 120 and 123 of the Local Government Act 1972.

4.4 Public Sector Equality Duty

- 4.4.1 An Equality Assessment Ref No. EA002713 dated 1st March 2018, is attached as Appendix 3. The assessment confirms there is no adverse impact and that a full Equality Assessment is not required for the purpose of this report.
- 4.4.2 The Sport and Physical Activity Review and Transformation of the Leisure Service report in 2013 was subject to Equality Assessment (Ref No: LSD251113SEPD).
- 4.4.3 With regards to any staffing implications the service will cease and any future provision will be significantly different there are no TUPE implications. All employees at the centre are currently subject to a Section 188 notice (WB3) and consultation is ongoing. Proposed mitigations for employees include priority interviews for Northfield Leisure Centre, voluntary redundancy, TalentLink and Priority Movers.

5. Relevant background/chronology of key events:

- 5.1 The Sport and Physical Activity Review and Transformation of the Leisure Service report approved by Cabinet in December 2013 recommended the closure of Tiverton Pool on 1st April 2014 following the opening of the new 50 metre pool at the UoB. However, following a delay with the opening of the UoB pool and the approval for a replacement swimming pool at Northfield, Tiverton Pool will now close when the new Northfield Leisure Centre opens in Spring 2018.
- 5.2 Due to the evident lack of alternative gym provision in the Selly Oak and Edgbaston areas, UoB approached the City Council with a proposal to convert the Tiverton Road building into a gym (only) provision. UoB had identified from detailed analysis of its own Sport & Fitness facilities that there is extensive excess demand for gym use (from student and community population), whilst the UoB still have some available capacity in the swimming pool in its new sports & fitness centre, the 200+ station gym is not big enough, resulting in excess of 3,000 students and significant numbers of staff and community not able to join. This proposal is ideal for the City Council, as continuing to operate this facility is creating a budget pressure and the premises currently have a repairs and maintenance backlog.
- 5.3 The location of the Tiverton Road pool and gym is also ideal for helping to fill the gap in local gym provision. Following the closure of the pool by the City Council - the proposed plan is to drain and fill in the two pools and convert the pool halls into as much flat floor space as possible in order to create a new gym for 2,500 to 3,000 members (this estimate is dependent on total floor space able to be created). Membership would be open to students and community. It would operate as a stand-alone gym (not an extension to the University's Sport & Fitness Club), but run by UoB Sport. Membership prices will be less than equivalent gym only membership at the Sports & Fitness Club. UoB's target market is student and community residents within 10 to 15 minutes' walk of Tiverton Road, so the lack of parking is not a problem for the target users.
- 5.4 The new Northfield Leisure Centre is currently under construction and is anticipated to open in April 2018. Based on the trading performance of a similar site in Erdington, it is estimated visitor numbers will be between 25,000 and 30,000 per month. It is therefore anticipated that Tiverton Road Pool & Fitness Centre will close in May 2018 following the opening of new Northfield Leisure Centre.
- 5.5 Birmingham Research Park is a site of 1.25 hectares that was developed in the late 1980s/1990s by the UoB with a range of high quality office and research premises. UoB currently hold this land by virtue of three 125 year leases from the City Council which commenced in 1985.
- 5.6 Recent investments made by UoB in Birmingham Research Park have created two new business incubators (Bizz Inn and The BioHub Birmingham), refurbished the existing Research Park buildings and created a new café facility on site. As a result of these improvements the site is currently at 97% occupancy, with c.440 jobs on the site and c.18,000 visitors to the site (not tenant employees) per year. UoB has recently announced a £1.5m development of additional floor space within the BioHub building. The Research Park is a key component of the integrated Life Sciences 'ecosystem' in Edgbaston and is the principal location where new businesses initially start and grow. The Binding Site Ltd is a well-known long term example but since 2014 the Research Park has offered space and business support to 215 local entrepreneurs which has led to new businesses that have created 150 new Life Science related jobs.

- 5.7 Going forward, the Research Park will continue to be the source of new businesses in this sector and it will continue to act as the starting-point for entrepreneurial activity and businesses likely to move to the new Life Science Park on the Battery Park site as they grow to sufficient scale. Due to its proximity to both UoB and the Queen Elizabeth II Hospital, the Research Park is expected to retain its role as the key venue for the start-up and early growth phases of new businesses even after the new Life Science Park is operating. As such, it is planned to consider creating additional floor space suitable for early-stage businesses on the Research Park via a side-extension of the BioHub building and possibly creating a glass canopy enclosing the existing courtyard within the IRD building. The disposal to the existing leaseholder generates a capital receipt at a time when the City Council has no long term interest in the site.
- 5.8 The site of Vincent Drive, amounting to approximately 6.09 hectares, is held by the UoB on a 960 year lease from 1972. They have developed the land since the 1970s with a range of educational establishments. Again, the disposal to the existing long leaseholder generates a capital receipt when the City Council has no strategic priorities for the site.
- 5.9 A report detailing the outcome of these negotiations is included on the private agenda.
- 5.10 Site plans are attached at appendix 1.

6. Evaluation of alternative option(s):

- 6.1 The assets has been considered in accordance with current surplus property procedures with no alternative internal uses identified.
- 6.2 As the assets are not considered to be of strategic importance to the City Council there is no merit in retaining them; the sale of Tiverton Road Pool & Fitness Centre will remove an ongoing financial liability to the Council.
- 6.3 Not to proceed with the sale would mean that the Tiverton Road Pool & Fitness Centre would be void from May 2018, and the opportunity to realise a capital receipt, remove an ongoing maintenance liability to the Council and safeguard the future use of facility would be missed.

7. Reasons for Decision(s):

- 7.1 To declare the property surplus and approve the freehold disposals to the UoB.

Signatures

Date

Councillor Ian Ward – Leader of the Council

Waheed Nazir – Corporate Director, Economy

List of Background Documents used to compile this Report:

Cabinet report - Sport and Physical Activity Review and Transformation of the Leisure Service – dated 16th December 2013

Relevant Officers file(s) save for confidential documents

List of Appendices accompanying this Report (if any):

- 1. Appendix 1 – Site Plans
- 3. Appendix 2 – Ward Forum Consultation Records
- 4. Appendix 3 – Equality Assessment

Report Version 13

Dated 6th April 2018

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in section 4.4 of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

- 1 The Council must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) tackle prejudice, and
 - (b) promote understanding.
- 5 The relevant protected characteristics are:
 - (a) marriage & civil partnership
 - (b) age
 - (c) disability
 - (d) gender reassignment
 - (e) pregnancy and maternity
 - (f) race
 - (g) religion or belief
 - (h) sex
 - (i) sexual orientation