

Committee: Cabinet	Date: 7 th February 2007	Classification: Unrestricted	Report No: CAB137/067	Agenda Item:
Report of: Corporate Director Environment & Culture Originating officer(s) Ian Brown – Interim Service Head Property & Facilities Management		Title: Disposal of Poplar Baths Wards Affected: Limehouse, East India and Lansbury		

1 SUMMARY

- 1.1 This report seeks Cabinet approval to dispose of the Poplar baths site for redevelopment on the open market.

2 RECOMMENDATIONS

Cabinet is recommended to:-

- 2.1 Agree the disposal of the Poplar Baths site for redevelopment on the open market.

Local Government Act, 2000 (Section 97) List of "Background Papers" used in the preparation of this report

Brief description of "back ground papers" holder and address where open to inspection.

Name and telephone number of

To be completed by author

To be completed by author ext. 4240

3. BACKGROUND

Poplar Baths was opened in 1934, having been designed by Horley Heckford, Borough Engineer of the London Borough of Poplar. The building contained two swimming pools, Turkish baths, slipper baths and spectator facilities in a large building facing East India Dock Road.

The main pool has a roof supported by elliptical concrete arches and the interior has mosaic floors and tile work noted for their design. This led to parts of the building being Listed as Grade II in January 2001.

The site is bounded by East India Dock Road, Poplar Baths Street, Lawless Street and Grove Villas and extends to 8,230 sq m. Poplar Fire Station lies to the west and All Saints DLR Station lies in a cutting to the east. There is housing to the south of the building and a major road to the north.

The building closed as a baths facility in 1987/88, following a steadily declining number of people using the facilities and the deterioration of both building fabric and plant.

In 1988, it was converted for use by the Construction Industry Training Board, including the infilling of the pools and the installation of windows and parking spaces.

The CITB use finished in 2000, and the building has been empty since that time, with the exception of a small recording studio and an office used by a local charity. Since 2000, the Council has had to bear the cost of essential maintenance and security at the baths. Deterioration of the structure is starting to increase significantly, given its very limited occupancy and use. This will inevitably lead to significant expense in due course in having to repair or replace key construction elements of the building.

3.2 Community interest in the future of the baths, was kindled in April 2003, when a petition requesting that no decision be taken on the future of the baths, without community consultation, was noted by Cabinet.

3.3 Since that time Tower Hamlets Environment Trust (THET) and Swan Housing, on behalf of the Poplar Baths Steering Group, worked on a community based re-use and development model. Proposals for development of the swimming baths site were submitted to officers in late 2005. The proposals included a requirement for funding a viability gap through grant or "open market" funding. In February 2006, further information was requested from the THET and Swan Housing in relation to issues of risk and achievability in their proposals.

3.4 The proposals comprise:-

- Restoration of the main pool and the creation of a leisure facility within the building.
- The building of 130 affordable homes the creation of 3,500 square metres of affordable workspace on the site.
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3.5 The THET and Swan Housing proposals are for a long lease from the Council at £nil consideration. The last mixed use valuation of the site was £1.1 million.

4. FURTHER EVALUATION OF PROPOSALS

4.1 Meetings have taken place with THET and Swan Housing where the concerns about the proposals have been reviewed. In particular there have been major concerns relative to:

- (a) Build costs
- (b) Running costs
- (c) Income forecasts
- (d) Sustainable demand for the pool provision
- (e) Governance
- (f) Realisation of funding for the viability gap
- (g) Planning brief non-compliance

4.2 There is an acknowledgement from THET and Swan Housing that more work is needed to arrive at a robust business plan for their outline proposals. However, they have been unwilling, to date, to commit to any further work until the Council was prepared to enter into an eighteen month exclusive option to acquire the site agreement with them, during which time they would finalise the business plan, inclusive of securing the viability gap funding for the scheme.

4.3 Given the paucity of the original proposals and the unwillingness of THET and Swan Housing to do any further work without the exclusivity agreement an impasse has been reached. Given the still unresolved risks and concerns outlined in 4.1, entering into the exclusivity agreement cannot be recommended. The available alternatives on this are to now consider an open market approach, which will see this asset working viably in some shape or form in the near future.

5. OBSERVATIONS OF THE CHIEF FINANCIAL OFFICER

5.1 This report outlines the current position regarding discussions which have taken place with THET and the Swan Housing on behalf of

Poplar Baths Steering Group in relation to the future of Poplar Baths. As outlined in section 3.1 these discussions and detailed evaluation of proposals have indicated significant concern regarding their viability. As detailed in paragraph 4.3 these discussions and on-going evaluation have now reached an impasse and as a consequence, it is now proposed to dispose of the site for redevelopment on the open market.

5.2 In accordance with the Council's Financial Procedures CR10 Cabinet are therefore requested to declare the site surplus to requirements and agree to its disposal.

5.3 If Cabinet agree to this proposal, this will result in disposal at market rate which will result in a capital receipt accruing, which will be 100% useable and will be incorporated into the Capital Programme and utilised to finance further investment to the Council's asset base.

6. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

6.1 The Council has a legal duty to achieve the best price reasonably obtainable on sale of land. An open market sale meets this requirement.

7 EFFICIENCY STATEMENT

7.1 Poplar Baths has lain idle for a considerable period of time, bringing it back into use as quickly as possible will give the Council a viable sustainable asset.

8. EQUAL OPPORTUNITIES IMPLICATIONS

8.1 Any redevelopment of the site will take into account equitable and accessible service requirements.

9. ANTI-POVERTY IMPLICATIONS

9.1 Development of the site will increase employment prospects. Whatever the final development proposal, the investment will help to achieve improved local facilities accessible to local communities.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 Recent building regulations sustainability enhancements will apply to the redevelopment.

11. RISK ASSESSMENT

11.1 Consideration of open market offers will include price, financial references and anti-money laundering processes.

12 APPENDICES

12.1 None