

Report for: 9 July 2019

Title: Council Owned Sites in Wood Green

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Ward(s) affected: Noel Park/ Woodside/ All Wards

**Report for Key/
Non-Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1. This report sets out proposals for developing a long-term strategy which will make the best use of Council owned sites in Wood Green.
- 1.2. Haringey Council has been working with residents, businesses and stakeholders to develop a Strategic Regeneration Framework for Wood Green that will deliver new homes and jobs through the delivery of highly accessible well-designed places. The employment led regeneration of North London's only Metropolitan Centre will create opportunities on people's doorstep, deliver sustainable urban living and revitalise the town centre.
- 1.3. The Draft Wood Green Area Action Plan will set out the planning policy framework for Wood Green, creating a positive, statutory basis for determining planning applications. The Draft AAP aims to ensure that investment decisions meet the aspirations of the local community and the Council for the whole area, as well as specific places and locations within it. The next draft of the Wood Green AAP is due to go to Cabinet later in 2019.
- 1.4. As a major landowner, the Council can use its own land assets to deliver a range of different uses that are appropriate for a town centre like Wood Green. The Council is in the process of developing a strategy for how best to use its own land to deliver employment, housing, civic and social infrastructure maximising the community benefits which could be achieved.
- 1.5. The first key decision to be made is where the Council should locate its own accommodation. Currently, council accommodation is spread across eight separate buildings in Wood Green; a decision to deliver new Council Accommodation providing a range of civic and community uses to support the town centre and existing communities, will drive footfall to the area and unlock remaining buildings and sites for alternative uses.

2. Cabinet Member Introduction

- 2.1. The Borough Plan commits to making sure that investment and development in the borough has the interests of Haringey's communities at its heart. We want to use council land and assets to promote improved outcomes for residents and to bring forward the physical and social infrastructure that growing communities need.
- 2.2. Haringey is the biggest landowner in Wood Green, with property on the High Road, Station Road and in the Cultural Quarter. How we use our own land to achieve these objectives is one of the biggest decisions this Cabinet is going to make, and this report sets out the first milestone in this process.
- 2.3. By reducing the number of buildings we operate from we will reduce running costs and improve our carbon footprint, we will also free up buildings and sites for other uses. We own buildings that could be let as office space which will help to support and grow the local economy, and land we could redevelop as new town centre, employment space and housing.
- 2.4. This Cabinet decision marks the beginning of an engagement process, where we will talk to Cabinet, Members, staff and service users to understand priorities, agree objectives and start to shape a vision for what Wood Green town centre could look like in the future.

3. Recommendations

Members are asked to:

- 3.1. Agree to the principle of consolidating council accommodation in Council owned sites in Wood Green to a reduced number of sites to deliver a better and more accessible service, realise cost savings, and provide a more effective working environment for staff, while also releasing land for other uses which will benefit the community and the town centre.
- 3.2. Note the results of the Council Accommodation Site Appraisal set out in section 4 and agree that further work should proceed on two options only: (1) the delivery of the Council Accommodation entirely on the Library site and (2) a split site solution which would include both the Library site and the Civic Centre site, recognising that alternative land use options for the remaining sites will also be developed.
- 3.3. Note that the next stage will involve engagement with stakeholders including Members, staff and service users bringing together existing workstreams, including the 'New Ways of Working' programme, to develop a vision and objectives for how the council should deliver services in the future.
- 3.4. Note the potential opportunity to co-locate a Leisure Centre, which would include a swimming pool, with new Council Accommodation, and which could provide a wide range of benefits for the community, council employees and partner agencies, and agree to the next stage of work to include further analysis of this opportunity.

4. Reasons for decision

Principle of consolidating Council owned sites

- 4.1. There is a clear business need for consolidating Council owned sites in Wood Green. Haringey Council owns nine buildings in Wood Green totalling more than 45,000m² (GIA), and currently occupies eight of those buildings for its own accommodation. The area being used for council accommodation purposes far exceeds the amount which should be required by modern office standards.
- 4.2. There are significant operational costs associated with having council accommodation in eight separate buildings. By consolidating the council accommodation located in these sites, the Council has the potential to reduce office costs and release land which can be used to deliver new community infrastructure, housing and employment on council owned sites as set out in the Borough Plan, and/or provide the council with sources of capital and revenue funding.
- 4.3. The current office buildings along Station Road, at the Library Site and the Civic Centre are no longer fit for purpose or are in poor condition; they are inaccessible to some members of the public and need significant investment to improve health & safety, environmental and energy performance. Face to face services to customers are provided over different buildings and none are particularly well designed, making for fragmented services and an unsatisfactory customer experience.
- 4.4. As such, the current offices do not support a modern working environment that promotes flexible workstyles, space for collaboration between council staff, residents and partners or high levels of productivity. The consolidation of Council owned sites is an opportunity to enable all services to become fully accessible and create modern and fit-for-purpose facilities for staff, Members, customers, clients, and visitors. This optimal use of resources will both reduce spending on council accommodation and improve efficiency in delivering services resulting in improved value for money for the council.

Council Accommodation Site Appraisal

- 4.5. The principle of consolidating Council owned sites in Wood Green to save on the Council's revenue costs, reduce the amount of space the Council occupies, and its carbon footprint was first presented to Cabinet in October 2016.
- 4.6. The existing council accommodation was considered to be deteriorating, expensive to run and no longer fit for purpose and as no one building was of sufficient size to accommodate the requirements of the Council in the future the aim was to have one main Council office for the majority of staff to act as a focal point for the public and Council facilities.
- 4.7. The vision was to create a new Council Accommodation building with a variety of modern, fit for purpose and cost-effective workspaces and facilities to enable staff to work more effectively, flexibly and collaboratively with colleagues and partners.

- 4.8. Under the previous administration the intention was to rationalise the existing office estate from (then) 12 sites to two sites; this included a proposal to vacate the Civic Centre. This vision was partially realised through the refurbishment of George Meehan House (formerly Woodside House) which now accommodates the Council's ceremonial and registrar functions.
- 4.9. The Borough Plan sets out a commitment to use council land and assets to promote improved outcomes for residents and with this commitment, combined with Historic England's decision to Grade II list the Civic Centre, the Council has taken a step back from previous proposals to considered all its Wood Green assets to identify the best location for the new Council Accommodation.
- 4.10. A Council Accommodation Site Appraisal has been carried out which considers the suitability of four sites in Wood Green in terms of their capacity to accommodate all the council functions, financial feasibility and against a set of qualitative criteria relating to deliverability, accessibility and contribution to the town centre.
- 4.11. The option which scored the overall highest was the one which puts all council accommodation on the Library Site. The second highest scoring option was a 'split site' solution using the Library Site and the Civic Centre site. The recommendation to Cabinet is that further feasibility work is carried out on these two options only; further separate studies will also be carried out to establish the best strategy for the remaining sites.

New Ways of Working (NWoW) Transformation Programme

- 4.12. In October 2016 Cabinet approved funding to develop The Future Ways of Working Programme with delivery streams 'People', 'Process', 'Place' and 'Technology' to support the delivery of the Corporate Plan and the Council of the Future, providing a skilled, agile workforce, aligned to the Council's values. The programme vision was that *"Our People will be empowered to work from anywhere with streamlined Processes, improved Technology and a Place to collaborate with colleagues and partners in order to deliver improved, more responsive and high-quality services."*
- 4.13. Currently, The Future Ways of Working Programme, now the New Ways of Working Programme, is one of several transformation programmes being delivered across the council which together aim to enable a more flexible and effective approach to how staff deliver services, where they deliver them from and to ensure that the new Council Accommodation is efficient, fit for purpose and aligned to the future size of the Council.
- 4.14. Part of the current stage of the NWOW programme includes the detailed design and initiation of a series of Pilot Projects which will take place with full engagement with stakeholder groups to understand how the programme can deliver fit for purpose and cost-effective workspaces that enable staff to work more effectively, flexibly and collaboratively with colleagues and partners.
- 4.15. The next stage will bring together existing workstreams, including the NWoW transformation programme and will involve engagement with Members, staff and

service users to develop the vision and objectives in line with the new Borough Plan priorities.

Leisure Centre

- 4.16. The delivery of a new leisure centre with a 25-metre main pool and smaller teaching pool is the top strategic priority of Haringey's 'Indoor Sports Facility Strategy', which is supported and signed off by Sport England and Swim England and is also due to be formally adopted by Cabinet this month.
- 4.17. A well-located Leisure Centre in the heart of Wood Green will undoubtedly attract previously inactive and partially active local adults and children to adopt a more physically active lifestyle. This will lead to improvements in health and wellbeing that in turn will deliver much social and economic benefit.
- 4.18. In addition to the health and social value benefits, a leisure centre will also drive footfall into Wood Green, with the visitor numbers to a leisure centre, based at the library site, estimated at 638,000 per annum. Improving the leisure offer in the town centre will help to revitalise the town centre and improve its competitiveness and economic growth prospects.
- 4.19. The Library site has been identified as both the best location for the Council Accommodation (through the Council Accommodation Site Appraisal) and the Leisure Centre (through a separate Leisure Centre Study) and so the opportunity to co locate these two facilities has been considered and should be explored further in the next feasibility stage.

5. Alternative options considered

- 5.1. All options have been set against a "do nothing" option which is the cost that the Council currently incurs running the eight buildings. These costs include all management, maintenance, utilities, rates and other costs in occupying these buildings including a provision for major cyclical repairs such as lifts / roofs etc.
- 5.2. Remaining in current buildings and not investing in council owned sites in Wood Green would be detrimental to Wood Green town centre. The poor quality of the existing buildings is impacting on the wellbeing and productivity of our workforce, as well as the Civic pride in the borough. Buildings on Station Road currently provide minimal contribution to the town centre at ground floor level, and by occupying key employment sites the council is actively restricting economic growth.
- 5.3. A range of redevelopment options have been explored through several studies and they have been assessed against quantitative and qualitative criteria. As well as considering redevelopment, officers have considered the option to stay in the existing buildings and options to reuse existing buildings through a programme of refurbishment.
- 5.4. The Council Accommodation Site Appraisal scoring matrix methodology is described in paras 6.10 – 6.35.

- 5.5. The option of remaining in River Park House has been considered through the financial feasibility studies which include refurbishment scenarios. River Park House was acquired from BT, and was not designed to house the current number of occupants, or to cope with the range of visitors that a Council may receive. In particular, the main entrance is not fit for purpose, and cannot be redesigned except at great cost. Because of its poor design it causes an unwelcoming experience for guests and creates security problems for building users.
- 5.6. The option of redeveloping the River Park House site to build new council accommodation has not been considered further because this site is one of the most accessible sites in the borough and should new office space be built on this site it has the potential to attract major new employers, it is not considered to be the best use of the land to build new offices for the Council on this site.
- 5.7. The option to secure a new Leisure Centre on an alternative site not in the Council's ownership was considered in the Leisure Centre Feasibility which has identified that the costs of either acquiring a site from a third party or funding the annual costs of leasing a site would create an additional financially unsustainable cost over and above the financing of a new centre.

6. Background information

Wood Green Strategic Context

- 6.1. The draft London Plan (2018) identifies Wood Green as an Opportunity Area and one of 14 Metropolitan town centres. The plan sets out the aim of creating a revitalised employment-led Metropolitan town centre. The area benefits from excellent, and - subject to confirmation of Crossrail 2 coming to the area - improving public transport connections and capacity, which make Wood Green an ideal location for growth in employment and service provision to serve the central portion of north London. Key sites are identified which will deliver an expanded employment, retail and leisure offer, as well as new homes.
- 6.2. Wood Green is also a Growth Area in The Local Plan: Strategic Policies (2013). The adopted Site Allocation DPD allocates several sites for redevelopment. The Area Action Plan (AAP) will set out a framework for building on the existing policy context and delivering additional new jobs and new homes. The AAP is being prepared in order to ensure that the scale of development and change proposed for Wood Green is positively managed and guided by a planning framework. It aims to ensure that investment decisions meet the aspirations of the local community and the Council for the area, as well as specific places and locations within it.
- 6.3. The Economy section of the Borough Plan 2019 – 2023 sets out an objective to make sure that investment and development in the borough has the interests of Haringey's communities at its heart. Regeneration, focused on Tottenham and Wood Green, is to use council land and assets to promote improved outcomes for residents and which brings the physical and social infrastructure that growing communities need. The Your Council section commits to piloting new approaches to community hubs and spaces to deliver new community infrastructure and housing on council-owned sites. Further to this it is stated that to deliver the

demanding agenda in a challenging environment, with limited resources, Haringey must become an exemplary modern Council which is efficient and responsive to our customers, residents and business's needs; delivering value for money by acting creatively and innovatively to design and deliver services that are good value for residents and taxpayers.

- 6.4. The Council has land interests in 15 of the 28 Site Allocations in the draft AAP, of which the Council owns nine unencumbered freeholds. The Council has a clear role to play in meeting the ambitions for Wood Green which are set out in the London Plan, Local Plan and Borough Plan.

Wood Green Economy

- 6.5. Wood Green plays a vital role in meeting residents' retail, leisure and civic needs in Haringey and surrounding boroughs. However, the Centre is failing to attract top brands for its retail offer, with little destination appeal. There is also a lack of quality leisure and wellbeing opportunities in the town centre, which can work as a driver for footfall. A lack of employment space is exacerbating the loss of the town centre's vibrancy.
- 6.6. Parts of Wood Green are amongst the most deprived in the borough, with high numbers of residents living in temporary accommodation, high levels of inequality in terms of skills and income levels, low job density and little growth in the local economy. The environment is congested, with poor air quality, poor quality of public realm, and a deficiency of green space in some areas.
- 6.7. Wood Green's employment and enterprise spaces face a moment of risk and opportunity. London's housing crisis has put pressure on employment land to deliver housing and many existing businesses in Wood Green face having to move out of an area that is vital to their success. A proactive, long-term, jobs-led approach to the town centre's physical regeneration is needed to create the conditions for inclusive growth whilst also achieving the housing targets.
- 6.8. There is also the opportunity that some sites, particularly sites on Station Road near to Wood Green Underground Station have the potential to attract significant investment in the future and generate significant business rates income if developed as employment sites.
- 6.9. As a major landowner, the Council can use its own land assets to deliver a range of different uses that are appropriate for a town centre like Wood Green.

Council Accommodation Site Appraisal

- 6.10. The Council Accommodation Site Appraisal criteria were developed taking into account the following factors:
 - I. Members advised that, in order to confidently maintain continuity of civic functions in the centre of the borough, the Council Accommodation must be owned by Haringey. The four sites that Haringey own outright are (1) the Civic Centre (2) Station Road (3) Wood Green Library and (4) Kingfisher Place (refer to Appendix 1 for location plan).

- II. The Council Accommodation has three broad functions (1) Democratic (2) Customer Facing (e.g. Library, Customer Service Centre, HALS and HEST) and (3) Back Office. Previous studies suggest that revenue savings are greatest when all three functions are co-located in the same building.
- III. To ensure council services are easily accessed by residents, Members expressed a preference for a site which is accessible, within close walking distance of public transport and on a bus route/s.
- IV. The appraisal was to recognise that, as one of Wood Green's biggest employers, the location of the Council Accommodation would have an impact on the economic vitality of the town centre.
- V. The appraisal also needed to consider what would happen to the remaining Haringey owned sites, and their suitability for housing, employment and other town centre uses and their ability to influence economic growth.
- VI. The opportunity to co-locate a Leisure Centre with some or all Council Accommodation functions.

6.11. From this framework primary evaluation criteria were developed: "capacity" (can the sites accommodate all the required accommodation) and does the option generate a positive net present value; and a secondary "qualitative" set of criteria were developed which included:

- Delivery - are there potential site constraints such as planning, environmental, physical constraints such as neighbouring residential properties limiting the storey heights that could be proposed, and abnormal costs or environmental considerations that may limit or place risk on delivery
- Accessibility - is the site well located by various modes of transport
- Impact - is the site able to contribute to public realm or town centre vitality

6.12. Each site was subjected to testing against the primary and secondary criteria. Three of the four sites passed the primary criterion of accommodating all the required uses on the site. The application of the secondary criteria provided a means to differentiate the sites further. Whilst it was concluded that the Civic Centre site was not able to accommodate all functions, the secondary criteria matrix was designed to be able to score split site options. The detailed scoring for each site is in the Council Accommodation Site Appraisal Report (refer to section 10).

6.13. The option which scored the overall highest was the one which put all council accommodation on the Library Site. This is because all the uses could be easily accommodated on the site and due to its central and highly accessible location in the town centre.

6.14. The second highest scoring option is a 'split site' solution using the Library Site for the Customer Facing Services and potentially the Leisure Centre, with the Democratic Space and some or all of the back office function on the Civic Centre site in a new building located on the current car park site.

- 6.15. Subject to the outcome of Cabinet, the next stage of work will include further feasibility studies on two options only (1) the delivery of the Council Accommodation entirely on the Library site and (2) a split site solution which would include both the Library site and the Civic Centre site. The feasibility will include the outcomes of the New Ways of Working exercise (see below) and the detailed business case for the inclusion of a leisure centre (see below).
- 6.16. Further separate feasibility work will also be carried out to establish the best strategy for the remaining sites. This stage will involve detailed engagement with key stakeholders including Members, staff, service users and adjoining landowners on the emerging asset strategy and the New Ways of Working exercise.
- 6.17. The findings of the Council Accommodation Site Appraisal are set out below:
- Conclusions: Civic Centre Site
- 6.18. The Civic Centre building was Grade II listed by Historic England in July 2018. Heritage consultants have prepared a Heritage Planning Assessment Study to identify and assess the heritage/conservation significance of the building and its setting, its present condition and alterations to understand the planning/regeneration parameters of the building and the site.
- 6.19. The conclusions of the study are that since the Civic Centre is relatively intact, with no major alterations or extensions, the potential for demolition/ significant alterations is low. There is the potential for a new-build extension on the car park site and a single storey roof extension with third floor extension above the council chamber, subject to further structural considerations. The extent of internal refurbishment and alteration that will be acceptable varies from space to space; for example, the council chamber cannot be significantly altered, but there is scope to remove partitions in the Committee Rooms and to reorganise and update offices in the north wing of the building.
- 6.20. Potential uses for the site include retaining the building for Council use, converting to an alternative office/ employment use, repurposing the building for education or cultural use or repurposing to housing. From a heritage conservation perspective, the use which is closest to the original design intent would be the most acceptable.
- 6.21. The results of the Council Accommodation Site Appraisal show that there is not enough capacity or flexibility to accommodate the Library and Customer Facing Services at this site and, whilst the Leisure Centre would fit on the car park site in a basement, the location is considered to not be visible enough, unlikely to attract enough footfall and the location would not enable the Leisure Centre to contribute significantly to the town centre vitality. There is capacity to retain the democratic functions and a significant quantity of the back-office functions, but only by developing the car park site.
- 6.22. The car park site was included in the indicative list of sites in the Council's successful council Building Council Homes for Londoners (BCHfL) bid in October 2018. In terms of both funding and homes, it forms a significant part of the bid

and so should the site be used to deliver Council Accommodation back office there would be a requirement to find alternative sites that could deliver the same number of new council homes to the same timescale.

6.23. The conclusion of the Council Accommodation Site Appraisal is that the Civic Centre site is not capable of being the single site for the Council Accommodation, but it could be part of a split site solution. A split site solution using the Library Site and the Civic Centre site was the second highest scoring option.

Conclusions: Station Road West Site (part of the Station Road Site Allocation)

6.24. The Station Road Site Allocation in the draft AAP consists of River Park House, Alexandra House, Blue House Yard, 38 Station Road, 48 Station Road (Homes for Haringey) and 40 Cumberland Road. Station Road West, the subject of the Council Accommodation Site Appraisal, consists of just 48 Station Road and 40 Cumberland Road.

6.25. This site is in a highly accessible location which makes it suitable for a range of residential, town centre and commercial uses. The site has capacity for the Council Accommodation, but the inclusion of the Leisure Centre would require a basement and would significantly compromise the ground floor with the Customer Facing Services and Leisure Centre competing for prime active frontage.

6.26. The redevelopment of this site would have to take into consideration the future development aspirations of Arriva bus garage and impact of the closure of the end of River Park Road. Initial discussions on potential alternative uses for the site indicate that 40 Cumberland Road would lend itself well to be a housing site, due to its proximity to the residential terraces on Cumberland Road.

Conclusions: Library Site

6.27. The Library Site is the largest of the four sites and has capacity for all the Council Accommodation functions and Leisure Centre without the need for a basement. The site also has the capacity for additional accommodation which could be residential or employment. This site is in a very accessible town centre location and can be serviced either from the rear or from a basement level which could be shared with adjoining land owners.

6.28. The Library site scores the overall highest in the Council Accommodation Site Appraisal.

6.29. The Library site and the adjacent Mall site is at a key location in the town centre on the axis of the East West route linking the town centre and the Cultural Quarter. A key principle in the draft AAP is to facilitate a route through the Mall site and the Library site from the High Road to Coburg Road/ Mayes Road. The Mall's owner has indicated that it no longer supports a full redevelopment of the Mall and, taking into account representations made by the residents of the social housing located above the Mall, the Council has decided that the Mall site allocation will no longer be a redevelopment option but a refurbishment option instead. The Mall's owner is currently investigating opportunities for the intensification of land parcels within the Mall site, including for residential uses,

such as development on the petrol station site and car park/servicing areas and activating appropriate current blank frontages.

- 6.30. Subject to the outcome of this report, there is the opportunity to develop the next stage of feasibility work for this site in partnership with the Mall and explore the opportunity to create a new public space and set up a new axis from the High Street leading to the Cultural Quarter. Such a space would provide a new central square to the town centre, providing relief from the heavily trafficked high road. Having the Council's office accommodation, civic functions and frontline services forming a pillar of the new square would be of significant benefit.
- 6.31. This wider site ambition would need to include the redevelopment of 6-8 Caxton Road, location of the Efdal Community Centre, Community Hub and the Fatih Mosque (the Wood Green branch of U.K. Turkish Islamic Cultural Centre). The draft AAP states that adequate re-provision for space for the community use on this site should be provided prior to redevelopment. A new location for the community uses will need to be identified and close engagement and support with the stakeholders will be required. As set out in the EqIA for the Wood Green Strategic Regeneration Framework, consideration in this process should be made to ensure that there are no barriers for these stakeholders participating in the engagement process.
- 6.32. Another consideration to the development of this site is the requirement for temporary Customer Facing Services including the Library. Subject to the outcome of this report, the next stage of feasibility work will investigate the options for temporary accommodation. This option appraisal will also be subject of an EqIA.

Conclusions: Kingfisher Site

- 6.33. The Kingfisher site has capacity for the Council Accommodation and was previously the preferred site for the Council Accommodation because the investment in this area would act as a significant catalyst for change and anchor the expanded Cultural Quarter developments, increasing footfall and helping support wider business growth.
- 6.34. However, the inclusion of the Leisure Centre would require a basement on this site and would significantly compromise the ground floor with the Customer Facing Services and Leisure Centre competing for prime frontage. In addition to this the Leisure Centre consultants do not consider this location to be visible enough now to be appealing to a Leisure centre operator, irrespective of the transformation which is anticipated in the future.
- 6.35. This part of Wood Green is undergoing significant transformation with the recent planning committee decisions to approve major schemes by St William and Workspace. Should the Council decide not to use this site for the Council Accommodation, then alternative uses (both temporary and permanent) need to be explored to secure economic growth in the short and long term and potentially deliver a new cultural offer which could replace the loss of Mountview Performing Arts Academy.

New Ways of Working (NWoW) Transformation Programme

6.36. The NWoW programme will enable a more flexible and effective approach to how staff deliver services, where they deliver them from and ensure that any the new Council Accommodation is efficient, fit for purpose and aligned to the future size of the Council.

6.37. The aim of the feasibility exercise was to determine the priorities, objectives and potential benefits of a NWoW transformation programme of work. The outcome from the feasibility exercise (completed in March 2019) included:

- i. An understanding of the different role profiles/styles that staff have in the delivery of Council services
- ii. An early view of the design principles that will be incorporated into the way staff work in the future and in the design of the new office
- iii. A roadmap on how enabling technology can be fully utilised to support a more flexible and agile workforce of the future
- iv. A maturity assessment of the council's current position with regards best practice in flexible working, giving an indication of the transformation journey required
- v. The identification and recommendations on initiatives that could act as "pilots" to test as early as possible the following NWoW areas:
 - design principles;
 - location options;
 - technology enablers;
 - benefits and savings assumptions;
 - office design and layout options;
 - revised flexible working policies;
 - cultural change aspects of a transformation programme.

6.38. The outcomes and learning from such pilots will be used to inform the required Outline Business Case (OBC) for the NWoW programme of work.

6.39. Following the approval of the recommendations from the feasibility exercise, work is underway on Programme Initiation, with activities and assessments designed to produce an Outline Business Case for the NWoW Transformation Programme. This stage of the programme also includes the detailed design and initiation of the series of Pilot Projects identified during the feasibility work.

6.40. The Outline Business Case will ensure that the scope and deliverables from a NWoW transformation programme align to the aspirations and expectations identified in the New Borough Plan and the "Your Council" areas, such as:

- Opportunities for collaboration and new ways of working are opened up;
- Staff at all levels can exercise autonomy and voice in what they do;
- Flexible working, with clear expectations, becomes the norm;
- Support the maximisation of our London Healthy Workplace Charter Excellence status.

6.41. During the definition, design and delivery of the pilot projects, full engagement with stakeholder groups including staff and trade unions will take place to understand how the programme can deliver fit for purpose and cost-effective

workspaces that enable staff to work more effectively, flexibly and collaboratively with colleagues and partners.

6.42. For the NWoW transformation programme to be fully effective in delivering the required outputs and outcomes, it will need to incorporate and integrate all aspects of the organisational changes required, i.e. it should include the requirements around Place, People, Process and Technology. During the Programme Initiation stage all these areas will be addressed.

Leisure Centre

6.43. Haringey has the lowest level of swimming pool provision in London and is in the 10 most deprived areas for water space in the country, with the shortfall most acute in the centre and east of the borough. In simple terms, Haringey residents experience a third less pool water space compared to other Londoners.

6.44. Set against this well evidenced need and demand for a Leisure Centre in Wood Green are Haringey's high rates of physical inactivity in parts of the borough, high levels of obesity and the unambiguous link to physical and mental ill health caused by a lack of physical exercise.

6.45. When compared to London and England, Haringey has average physical inactivity rates with 21.9% of residents being inactive (do less than 30 minutes of activity per week). However, the picture alters when considering specific neighbourhoods. Noel Park and wards towards the east of the borough experience some of the highest rates of physical inactivity nationally, peaking at 35.7%, compared to the more affluent parts of Haringey (lows of 9.2%). The cost of inactivity, related to just four long term health conditions, is over £3.8million a year in Haringey.

6.46. While we do not have ward data around children's physical activity, we do know that only 18.9% of Haringey's children are active enough to meet the Chief Medical Officers (CMO) guidance for their age. We also know that children in Wood Green have high rates of excess weight (30- 40% in year 6) and the lowest rates of Key Stage Two (KS2) swimming attainment in Haringey.

6.47. Haringey represents a priority local authority area for Sport England given the shortage in swimming pool provision and the facilities strategy priorities are based on extensive community consultation and analysis following Sport England's National Guidance of Assessing Needs and Opportunities which will meet the needs of national planning policy.

6.48. The proposed development of the new Leisure Centre is the leading priority within the Haringey Indoor Sports Facilities Strategy, which is being recommended for formal adoption by Cabinet this month.

6.49. There is also very strong community support for a Leisure Centre in Wood Green. In the last public consultation for the WGAAP, the highest level of response for any one item was for the provision of a leisure centre (11%).

- 6.50. In addition to the health benefits the Leisure Centre will deliver, the hub will also drive positive footfall into the area, with the visitor numbers to a Leisure Centre, based at the library site, estimated at 638,000 per annum.
- 6.51. The siting and ownership of the Leisure Centre would be crucial to achieving the optimal financial and social outcomes. To attract the widest footfall across all communities in the borough and specifically for Wood Green, the Leisure Centre needs to be in visible town centre location in order to attract enough visitors. The site needs to be large enough to enable enough revenue generating activities, for example gym and classes, for a sustainable business case.
- 6.52. A Leisure Centre appraisal with financial projections has been prepared for the Library site, Kingfisher Place and Station Road. This New Leisure Centre Outline Options Appraisal Report has concluded that the Library Site generates the highest operating surplus, this is due to the site being big enough to be able to maximise the revenue generating facilities, and also because the location has the highest footfall which will also improve the visitor numbers.
- 6.53. A Leisure Centre co-located with council accommodation could also have a positive impact on employee health and wellbeing and their productivity.

Financial Feasibility

- 6.54. There are significant operational costs associated with having council accommodation in Wood Green in eight separate ageing buildings. In the year 2017/18 the council spent £4.4m across the seven buildings on utility bills, reception, security, routine maintenance, insurance and rent. By consolidating the sites, the Council has the potential to reduce operating costs and deliver annual revenue savings.
- 6.55. Financial Feasibility Studies have been carried out for different development options on the different sites. These studies have provided high level costings for the capital expenditure required as well as high level estimates for the capital income that the schemes could produce. From these estimates, a net capital expenditure requirement has been calculated. These figures are presented in the tables below.

WITHOUT LEISURE CENTRE	Civic Centre*	Station Road West	Library (All Social Rent)	Library (50% Social Rent)	Library (50% Affordable Housing***)	Kingfisher Place
Gross Project Capital Cost	£40.7m	£51.5m	£60.8m	£60.4m	£59.3m	£74.0m
Gross Project Capital Income	£0m	£0	£0	£11.5m	£11.5m	£0m
Net Project Capital Cost**	£40.7m	£51.5m	£60.8m	£48.9m	£47.8m	£74.0m

Table 1 – Financial Study Results for Council Accommodation without Leisure Centre

* Civic Centre development excludes Library and Customer Service Centre

** Total Project Cost less capital sales post development

*** 40% Intermediate Housing and 60% Social Rent

WITH LEISURE CENTRE	Civic Centre*	Station Road West	Library (All Social Rent)	Library (50% Social Rent)	Library (50% Affordable Housing**)	Kingfisher Place***
Gross Project Capital Cost	NA	£60.4m	£68.4m	£68.1m	£67.0m	£74.2m
Gross Project Capital Income	£0m	£0m	£0m	£11.6m	£11.5m	£0m
Net Project Capital Cost~	NA	£60.4m	£68.4m	£56.5m	£55.5m	£74.2m

Table 2 – Financial Study Results for Council Accommodation with Leisure Centre

*Leisure Centre option does not exist for Civic Centre site

** 40% Intermediate Housing and 60% Social Rent

*** The overall building area for the “without leisure option” is the same as the “with leisure centre option”, the leisure centre area being reclassified as employment space, hence the small difference in overall cost.

6.56. The feasibility study then considered the revenue costs and income that the different investment projects would generate, known as cash flows. The study used the Net Present Value (NPV) technique of investment appraisal. This technique enables different investment projects and their cash flows to be compared with each other in a consistent manner. Where a project generates a positive NPV (that is future cash flows exceed the original investment) then they are considered as acceptable. Conversely where they do not generate a positive NPV they are not considered further.

6.57. The table below shows the NPV of the various schemes. The results of the studies, set out below, show that in both the “without a Leisure Centre” option and the “with a Leisure Centre” option the site with the highest NPV is the Library site.

WITHOUT LEISURE CENTRE	Civic Centre*	Station Road West	Library (All Social Rent)	Library (50% Social Rent)	Library (50% Affordable Housing***)	Kingfisher Place
Project NPV	£9.9m	£5.8m	-£0.46m	£9.7m	£10.7	£8.1m
WITH LEISURE CENTRE	Civic Centre**	Station Road West	Library (All Social Rent)	Library (50% Social Rent)	Library (50% Affordable Housing***)	Kingfisher Place
Project NPV	NA	-£1.2m	-£7.1m	£3.1m	£4.1m	£2.1m

* Civic Centre development excludes Library and Customer Service Centre

** Leisure Centre option does not exist for Civic Centre site

*** 40% Intermediate Housing and 60% Social Rent

- 6.58. A high-level analysis of the Leisure Centre finances has been developed comparing the direct economic benefits across the different sites, to inform the financial feasibility of the “with Leisure Centre” options.
- 6.59. This high-level overall evaluation work does not at present account for the notable positive economic and social benefits of including a Leisure Centre, a number of which will bring direct positive benefits to Council service provision, when considering the inclusion of a Leisure Centre. Overall affordability of the Leisure Centre and the wider social and economic benefits will be further examined during the next stage.
- 6.60. To deliver a portfolio of projects across all the Council owned sites in Wood Green which is **revenue neutral** over a 25-year time period and which can deliver operational savings to contribute to the achievement of the MTFS and allow increased investment in other services, the development of each site will need to consider:
- i. reinvestment of surplus assets into the scheme;
 - ii. having a blended residential tenure mix;
 - iii. varying the overall size of the scheme (up or down) and;
 - iv. varying the mix of property (the balance between residential, employment and leisure).
- 6.61. Further financial appraisal analysis needs to be carried out in the next stage to explore the financial feasibility across the portfolio of sites and the actual development value of each site and a more detailed budget and funding strategy will be developed. Cost benefit analysis will be carried out for the different development options.

Next steps

- 6.62. Subject to the Cabinet decision, the next stage of the programme will include further feasibility work on the two options and developing the brief for new Council Accommodation through the NWoW transformation programme; a strategy for the best use of the remaining Council owned sites will also be progressed. It is the intention to return to Cabinet in Autumn 2019 with a recommendation on the preferred site.
- 6.63. The feasibility stage will involve further engagement with Members and staff, including site visits to other council buildings.
- 6.64. The delivery stage, from concept design to planning, will take approximately two years and the construction stage will take approximately another two years. In total the Council Accommodation project will take approximately six years.
- 6.65. To deliver this next feasibility stage a Council Accommodation team will be established, and governance put in place for a discrete programme of work. The funding for this stage, already approved in the capital programme.

7. Contribution to strategic outcomes

- 7.1. Borough Plan Economy Priority: Outcome 17: Investment with local people at its heart, focused on Tottenham and Wood Green;
- 7.2. Borough Plan Your Council Priority: Outcome 20: We will be a Council that uses its resources in a sustainable way to prioritise the needs of the most vulnerable residents.
- 8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

Finance

- 8.1. The report informs Members of the outcome of the Council Accommodation appraisal exercise as part of the work on the regeneration of Wood Green (where the Council is a substantial landowner), and the reduction of the Council's office accommodation estate as part of reducing costs and improving services. The appraisal also considered the possibility of including a leisure centre within any development.
- 8.2. Initial high-level estimates of the capital cost and capital income have been undertaken to inform the decision making. As described in the report, the study used the net present value (NPV) technique of investment appraisal to enable comparisons to be made between the options. This is a well-accepted method of evaluating differing solutions to the same investment decisions so that they can be compared on a life for like basis.
- 8.3. In the NPV technique, a positive NPV indicates that the scheme generates enough cash to repay the investment and provide a surplus. Under the assumptions used for the modelling, the NPV appraisal shows that the Library site offers the highest NPV with and without the leisure centre. It should be noted that the inclusion of the leisure centre in the project reduces the NPV considerably. These numbers will change over time as the feasibility study refines the assumptions used.
- 8.4. Whilst the two preferred options present positive NPV, the level of surplus created is quite small and the further work proposed will test all the assumptions to validate the NPV calculations including:
- i. reinvestment of surplus assets into the scheme;
 - ii. having a blended residential tenure mix;
 - iii. varying the overall size of the scheme (up or down) and;
 - iv. varying the mix of property (the balance between residential, employment and leisure).
- 8.5. The summary tables above indicate a range of gross project capital costs from £47.8m to £74.2m, with one of the costed preferred options having a net value of £55.5m after allowing for the capital income (the split site option has not been costed at this point). This is a considerable investment of Council funds giving rise to significant revenue costs in interest and debt repayments of c£2.7m per annum. These will need to be factored into the costs of the overall project and set against any revenue savings generated through asset rationalisation and/or capital receipts invested back into the project to reduce the overall capital cost.

- 8.6. As part of the next stage of the feasibility study these issues will be addressed along with detailed revenue costs and income projections.
- 8.7. The report also requests that Members agree that further work should proceed on two options only: (1) the delivery of the Council Accommodation entirely on the Library site and (2) a split site solution which would include both the Library site and the Civic Centre site, recognising that alternative land use options for the remaining sites will also be developed. The costs for this stage of the project are contained within the existing capital programme and are set out below:

	2019/20	2020/21
Staff costs	£200,000	£200,000
Feasibility/ Fees	£310,000	£460,000
Comms and Engagement	£30,000	£50,000
NWoW	£250,000	£250,000
Total Estimated Expenditure	£790,000	£960,000
Agreed budget	£950,000	£2,400,000

Table 4 - Budget allocation for feasibility stage (approximately 18 months)

Procurement

- 8.8. Strategic Procurement acknowledges the contents of this document.
- 8.9. Strategic Procurement has no objection to the approval of the recommendations highlighted in section 3 of this report.

Legal

- 8.10. This report seeks to develop a strategy for delivery of council accommodation on the existing Wood Green Library site or a combination of both the Wood Green Library site and the Civic Centre site. The recommendations do not raise any specific legal issues.

Equality

- 8.11. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - advance equality of opportunity between people who share those protected characteristics and people who do not; and
 - foster good relations between people who share those characteristics and people who do not.
- 8.12. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

8.13. Haringey has been proactive in consulting with a wide and diverse range of people and stakeholders on the preferred option draft Wood Green Area Action Plan. This will include groups that represent those with protected characteristics.

8.14. An Equalities Impact Assessment was carried out on the Wood Green Strategic Regeneration Framework which was adopted in January 2018. The impact assessments focused on the potential impact on the nine protected characteristics, as well as the potential for addressing identified inequalities relating to areas of: employment, connectivity/transport, housing, air quality, education, training, skills, health and wellbeing, diversity and crime.

8.15. The EqIA recommended a focus on the following issues:

- accessibility issues at Wood Green and Turnpike Lane underground stations;
- impact of demolition on Sky City and Page High residents;
- impact on protected characteristics by the relocation of the Library and Customer Service Centre; and
- potential impact on specific community groups from relocation of community buildings or spaces.

8.16. It is proposed that, subject to the Cabinet decision, the EqIA is updated to further consider the impact of the development of the Library site and Caxton Road site, as well as the impact of the decision to change the site allocation for Bury Road Car Park and the Mall from a redevelopment approach to a refurbishment approach.

8.17. A Wood Green Accessibility Forum has recently been set up to inform the development of design guidance and a series of public realm projects through the Connecting Wood Green projects. This forum will be retained to inform the feasibility stage of the Council Accommodation programme.

9. Use of Appendices

Appendix 1 – Location Plan

10. Local Government (Access to Information) Act 1985

Council Accommodation Strategy – October 2016 Cabinet Report

http://www.minutes.haringey.gov.uk/documents/s88440/Office%20accomodation%20report%20_final.pdf

Wood Green Strategic Regeneration Framework – January 2018 Cabinet Report

<http://www.minutes.haringey.gov.uk/documents/s98772/Wood%20Green%20SRF%20Cabinet%20Report.pdf>

<https://www.haringey.gov.uk/councilsites>

- Site Options Appraisal Study *00 Architecture*
- Civic Centre Heritage Feasibility Study Executive Summary *Montague Evans*
- New Leisure Centre Outline Options Appraisal *Continuum Sport and Leisure*

Appendix 1 – Location Plan

