

**LEISURE DEVELOPMENT OPPORTUNITY – AREA 4
LEE VALLEY WHITE WATER CENTRE**

Presented by the Deputy Chief Executive

EXECUTIVE SUMMARY

Located adjacent to the Lee Valley White Water Centre, the parcel of land known as Area 4 measures approximately 6.25 acre (2.53 ha). The River Lee Navigation runs along its eastern boundary and it is bordered to its north and west by the Lee Valley White Water Centre site, see Appendix A to this report.

Area 4 benefits from an allocation in the Broxbourne Borough Council Local Plan for a leisure-led development. In May 2023, the Authority instructed Montagu Evans (agents) to market this site by offering to the market a long leasehold leisure development opportunity. The marketing exercise culminated with bids received from five interested parties by the closing date on 21 July 2023. The ensuing process included interviews with each of the shortlisted parties followed by a clarification process with final bids received in October 2023.

This Paper provides Members with an update on the outcome of the marketing exercise for the selection of a preferred bidder for the Leisure Development opportunity at the Lee Valley White Water Centre.

Members are asked to consider the recommendations as detailed within this and Paper E/844/23.

RECOMMENDATIONS

- Members Approve:
- (1) the appointment of the preferred bidder outlined in the Part 2 report (Paper E/844/24) on this agenda; and
 - (2) to proceed to the next steps of agreeing Heads of Terms and an Exclusivity Agreement with the preferred bidder.

BACKGROUND

- 1 Area 4 as it is known is an area of land situated to the south east of the Lee Valley White Water Centre (LWWC) see Appendix A to this report. Access to

the site is provided from the A121 Station Road, which connects the A10 to the west with Waltham Abbey to the east. Area 4 measures approximately 6.25 acres (2.53 ha) in size.

- 2 The site comprises an area of hardstanding which is secured with fencing, together with car parking outside of its fence line. The major part of the site is mainly vacant open land but has a small residential building located towards the southern boundary. This property is currently occupied by tenants on an Assured Shorthold Tenancy.

The site has a substation located to its central east area (this serves the LVWWC) and a smaller substation to its south as identified on the aerial map attached as Appendix B to this report. It should be noted that both bid options will require for the substation to be relocated to the perimeter of the site (along to the eastern boundary) and whilst this has not yet been fully costed, it is expected these costs to be circa £xxxx.

- 3 The LVWWC was constructed to host the canoe slalom events of the London 2012 Games and to provide a world class legacy for white water sport and recreation. The venue has since staged four major international events, including two World Championships and two World Cups. The most recent being the ICF Canoe Slalom World Championship which was successfully held at the venue in September 2023.

As well as being a major events venue, it also delivers regular training events, hosts corporate away days/team building activities and is a popular tourist attraction.

- 4 The LVWWC is one of the Lee Valley Regional Park Authority's (the Authority) sporting venues currently operated by Greenwich Leisure Ltd (GLL) under a Leisure Services Contract (LSC) which includes a lease to the operator. The Area 4 site is not included within the GLL lease demise and is also not included in the operation of the LVWWC.
- 5 Area 4 is situated in close proximity to the Lee Valley Showground, (immediately east of the River Lee and accessible by foot). The Showground is a major site for the Authority both in terms of its place within River Lee Country Park and for events. Over the course of 2022 and 2023 events held attracted approximately 38,000 people from all over the UK and supported the major events programme at the LVWWC.

6 **Site Designation**

Under Broxbourne Borough Council's (BCC) current adopted Local Plan, Area 4 is the subject of the following site specific or policy designations:

- The site benefits from an allocation in the BCC Local Plan for leisure-led development, where proposals to expand the site as a leisure facility are supported in principle by B CC;
- Policy LV2 provides in principle support to development at the Centre to support its function as an 'adrenaline hub'. The supportive text to the policy identifies that the Authority is looking to expand and diversify the Centre with new and improved outdoor activities to deliver a 'major family leisure destination' to attract visitors across the region;
- Policy LV1 provides in principle support to the Authority for proposals that

- seek to improve the Regional Park;
- Policy GB1 Green Belt;
- Policy ORC1 as the site is within an Area of Open Space, Leisure, Sport and Recreation;
- The site lies within Flood Zone 2 and 3 and Policy W5 'Flood Risk' will apply; and
- Policy NEB1 General Strategy for Biodiversity' in the Local Plan requires that development proposals should result in net gains to biodiversity wherever possible. This will however also be subject to the new UK legislation and where a minimum 10% biodiversity net gain is mandatory.

The site includes areas of woodland identified as Priority Habitat along the southern and eastern boundary of the site and identified on the Appendix A site plan. Therefore ecological surveys would be required to determine any use of the site by protected species and mitigation and enhancement measures should be integrated into any plans.

- 7 The site also falls within the Sites of Special Scientific Interest (SSSI) Impact Risk Zone and any planning application would need to be assessed for any likely impacts on the nearby SSSI's, Lee Valley Special Protection Area (SPA) and Epping Forest Special Area of Conservation (SAC).

MARKETING PROCESS

- 8 Ahead of formally approaching the market in Spring 2023, agents Montagu Evans were previously instructed to assess the market by way of a soft market testing exercise. This exercise was required to support and shape the Authority's internal decision making and strategy for the Area 4 site. The soft market exercise which was carried out in the Autumn of 2022 was used to assess the market appetite and interest.

The initial assessment provided the Authority with sufficient feedback to embark on a formal marketing process.

Officers worked with the agents to provide a full marketing pack including site information, information on the LVWWC, legal overview, site constraints and a planning review.

The Authority proceeded to instruct Montagu Evans to commence with marketing the site to seek initial expressions of interest from the market.

The site was openly marketed via an informal tender process commencing in May 2023, with advertising in the property press (Estates Gazette), as well as direct contact with targeted parties known to Montagu Evans and others that had shown interest in the site to the Authority. A bid deadline of 21 July 2023 was set.

- 9 The formal marketing resulted in interest received from 5 parties which identified the site as a possible location for:
 - Health and Fitness;
 - Hotel and entertainment;
 - Football pitches;
 - Conferencing and events; and

- Other ancillary leisure based uses.

10 A summary of five expressions of interest received in July 2023 are outlined in the Part 2 report (Paper E/844/24).

ENVIRONMENTAL IMPLICATIONS

11 There are no environmental implications arising directly from the recommendations in this report.

FINANCIAL IMPLICATIONS

12 Montagu Evans marketing and valuation advice costs will be in the region of £30,000. In addition, external solicitors will be required to assist with the legal work and this is anticipated to be in the region of £30,000.

HUMAN RESOURCE IMPLICATIONS

13 There are no human resource implications arising directly from the recommendations in this report.

LEGAL IMPLICATIONS

14 The Legal implications as set out in the Part 2 report (Paper E/844/24).

15 When considering a disposal of land by way of a leasehold disposal and a letting for a term exceeding seven years the Authority is required to obtain consent from the Secretary of State (SOS) and obtain best consideration. SOS consent will only be sought when the Authority has made a decision to enter into a lease and is in a position to provide final form of Agreement for Lease (or Lease).

RISK MANAGEMENT IMPLICATIONS

16 Securing planning permission remains the greatest risk factor and this has been a significant factor guiding officers' opinion when assessing the two offers in the above paragraphs. The site's Green Belt designation policies point to a development of less rather than more.

17 There is potential that contaminated land could result in the development not proceeding and/or a reduction in the rental income that the Authority will receive.

EQUALITY IMPLICATIONS

18 There are no equality implications arising directly from the recommendations in this report.

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BACKGROUND REPORTS

None

APPENDICES ATTACHED

Appendix A	Site plan
Appendix B	Area 4 Substation

LIST OF ABBREVIATIONS

SOS	Secretary of State
the Park Act	Lee Valley Regional Park Act 1966
SSSI	Sites of Special Scientific Interest
SPA	Site of Special Protection
SAC	Special Area of Conservation
LWWC	Lee Valley White Water Centre
LVRPA	Lee Valley Regional Park Authority
LSC	Leisure Services Contract
GLL	Greenwich Leisure Limited

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Lee Valley White Water Centre, Area 4 Marketing Exercise

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02.02.24

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