



Draft development brief





Royal Leamington Spa is a beautiful and successful Regency spa town in Wawickshire. It is home to a high number of acclaimed creative, cultural and artistic based businesses, 6,000 Warwick University students, and has a very attractive retail, food and drink and riverside parks offer. It is also a digital games industry hub - 'Silicon Spa'.

The Times very recently voted it the 3rd best place for families to live in the UK.

To build on this success Warwick District Council now has a vision to create a new and transformational Creative Quarter focussed around the Royal Pump Rooms, Spencer Yard and riverside area in the town centre.

We see this project as the first phase of the wider regeneration of the northern part of the historic Leamington Old Town area, where private sector confidence and investment is now emerging.

We are now seeking an innovative, tenacious and experienced development partner to bring forward imaginative regeneration and development proposals to create this new town centre quarter and destination.

Chris Elliott

**Chief Executive
Warwick District Council**

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1. CONTEXT

Royal Leamington Spa is a beautiful and affluent spa town situated in the middle of Warwickshire, located only one hour from London. The town offers a unique shopping experience with a fabulous mix of independent retailers and well known high-street names attracting a diverse range of customers. It also offers an outstanding selection of cafes, bars and restaurants which supports a vibrant evening economy.

The town is a popular location for a variety of different businesses including successful international companies such as Aston Martin, Jaguar Land Rover, Calor Gas, Aga Rangemaster. Entrepreneurial spirit is also strong within the town which is host to a large selection of independent businesses keen to collaborate with one another to create a thriving business community. The Old Town area is also home to, and the focus for, 6,000 students from the world class University of Warwick.

The town has a diverse selection of successful creative individuals and companies attracted by a strong pool of local talent and a lively local creative community. The focus of this has been around the Old Town area, where such nationally and internationally acclaimed companies such as Motion House; Hybrid Arts; Heartbreak Productions; and The Assembly music venue are based.

Another key opportunity is that the town is also one of the strongest video games clusters in the UK. The games development industry is worth £1.7bn to the UK economy and the town has a range of games developers, from the internationally acclaimed to the innovative start-up. Much of this activity is also based in and around the vicinity of this Creative Quarter development opportunity.

The iconic Royal Pump Rooms are at the heart of this opportunity, which are the home of the Leamington Museum and Art Gallery, Leamington Public Library and the Regency Assembly Rooms.

There is therefore huge scope for developing this area further for creative and cultural based industries and businesses.

2. THE SITE:

The development site is situated in the Old Town part of the town centre, just to the south of the central shopping and business areas. It is also adjacent to the town's stunning riverside civic parks and gardens. See the Town Centre plan in **Appendix 1**.

It comprises the two parts edged red and indicated the 'Royal Pump Rooms' and 'Spencer Yard' on the Appendix 3 plan.

The wider (albeit informal) northern Old Town regeneration area is shown on the aerial photo in **Appendix 2**.

The Council is not seeking to stipulate the precise boundaries of the development site. This is specifically to promote flexibility in the invited development proposals. Prospective developer partners are therefore encouraged to consider an expanded site area for

comprehensive consideration, to secure the best scheme meeting the Council's overall objectives to create a new Creative Quarter. This could include other privately owned properties to achieve: (i) improved access routes and physical linkages into and around the core area, and (ii) a more attractive and viable development 'footprint' and opportunity generally.

Short listed developers will be invited to specify the site (and properties) which they consider to be necessary to secure the most attractive overall development opportunity for their proposals.

3. THE COUNCIL'S BRIEF:

The wider regeneration area:

The Council has an ambition to regenerate this wider area. This area includes the Creative Quarter site (below) and includes a range of other sites known to be coming forward in the near future. It would also provide key linkages to the central shopping and business areas to its north; the central Old Town area to the south; and strategically the Railway Station development area to its south-west.

The Creative Quarter:

The Council is seeking 'place shaping' proposals that are: transformational; viable; fundable; deliverable; sustainable, and of high quality design.

They should set out how this area could become a bright, vital and distinct destination and attraction for the district. Also, how such proposals could fuse together the existing rich historic architecture with a modern twist. The environment should be based around refurbished and new building spaces, and active public spaces, with public art throughout, creating an interesting, vibrant and 'intelligent' hub attraction. Proposals should also aim to provide a complementary mix of creative businesses and 'public facing' cultural and catering attractions.

Proposals will be encouraged to provide workspaces for the following creative uses:

Artistic; educational; digital; computer gaming; performance; training and craft based businesses, along with complementary catering businesses, cafés and restaurants. Health uses based around the spa history and waters may also have possible potential.

Such proposals should therefore:

- ✓ *Define the character and new purpose of the area.*
- ✓ *Create a deliverable investable vision for this new Quarter.*
- ✓ *Develop and deliver new space for creative industries and cultural uses within the area.*
- ✓ *Open up and improve the public realm, and unite this disjointed area. This could include much improved linkages to Jephson Gardens and the Pump Rooms Gardens, and the north and south river banks (to potentially include a new footbridge).*
- ✓ *Unlock the commercial and cultural potential of the riverside, the Royal Pump Rooms, and the riverside and iconic historic buildings here.*

- ✓ *Refurbish, remodel, and re-use the Council's buildings as required.*

As part of this bidding developers should also:

- ✓ *Define their strategy for seeking out and securing private and public sector funding for any proposals.*
- ✓ *Define any privately owned properties required for their scheme.*
- ✓ *Define any special partnership arrangements required with the Council to take such proposals forward through to delivery.*

The Royal Pump Rooms:

This iconic building did not form part of the previous Cultural Quarter proposals that stalled in 2010. The Council is now considering including this landmark building complex into its new vision, as it believes that this will fundamentally improve the potential and offer of any new Quarter.

Any scheme is encouraged to remodel the building's layout so that it:

- ✓ *Utilises and enhances the river frontage, and relates to new proposals for the greater Spencer Yard area opposite.*
- ✓ *Is more transparent to users, and breaks out onto (and relates to) the Pump Rooms Gardens.*
- ✓ *Protects, better reveals and celebrates the building's architectural heritage.*
- ✓ *Increases its attraction and public usage.*

The Pump Rooms comprise a number of areas, as follows:

The Art Gallery and Museum ('AGM'): The Council has resolved that this facility must remain in the building. However, proposals could include different ways of this facility being physically and operationally integrated with other possible new uses, and the possible re-siting of parts of the facility. However, the overall integrity and offer of the current AGM facility should be maintained.

The Leamington Library: This Warwickshire County Council facility and space offers perhaps the greatest area for transformational change within this complex. This could include combining this area with the adjacent **main entrance concourse, and Café** areas. Consequently, the relocation of the Library (either within any scheme, or elsewhere in the town centre) will be considered.

The Café and Assembly Room areas: A commercial negotiation with the operator Kudos would be required for any alternative use of these areas. Note: This would be strongly encouraged by the Council.

4. PROPERTY INTERESTS:

This Council owns the freehold interests in respect of the following properties:

- The Royal Pump Rooms
- North Hall.
- West Wing.
- the 'Old Dole Office'
- The United Reform Church ('URC')
- The main Spencer Yard square, parking and vehicular access areas.

Descriptions of the site, these properties, and the present tenancy details, are set out in **Appendix 3.**

The input and disposal of the Council's assets:

The Council will consider committing to dispose to the Developer any or all of its properties, as required and agreed, for any agreed scheme. These disposals shall have regard to, and be subject to, any or all of the existing tenancies and leases within these buildings. Any such disposals to be at market value, and on other terms and conditions to be agreed by the parties. Alternative disposal, joint venture vehicles, or development structures will be considered by the Council. The Council would expect the Developer to work with its tenants in agreeing individual solutions for any detailed proposals.

The other buildings in this area are privately owned:

They have the obvious potential for inclusion in any proposed scheme.

Also of particular note is the **Loft Theatre** (a key building, in a key position) which is privately owned by the Loft Theatre Trust, with whom the Council has established a positive dialogue regarding this Creative Quarter vision and ambition.

Additional land assembly:

The selected development partner will be encouraged to acquire key additional land interests (if required) for their overall scheme. This would be subject to the developer demonstrating that such properties were crucial to delivering any agreed scheme. The Council would then consider using its CPO powers to facilitate such site assembly for an approved planning solution. This would be an enabling role with all costs being underwritten by the developer. In due course the Council would agree a detailed site assembly strategy with its preferred development partner.

5. PLANNING POLICY:

Cultural and employment uses are identified within the National Planning Policy Framework and Local Plan as "main town centre uses" and as such, these are uses are actively encouraged within Leamington Town Centre.

Aside from the buildings that are secondary retail frontage at street level, the area being considered for the potential Cultural Quarter is not specifically zoned. The types of uses being considered are therefore consistent with the emerging Local Plan and the National Planning Policy Framework and have the potential to make a positive contribution to the aims and objectives of the emerging Local Plan.

6. LEGAL ISSUES:

At this early stage it would be difficult to be specific about what the legal arrangements might look like. It will be important to set out clearly the viable options that could work for both the Council and the developer. The preferred option should identify the inputs from both parties including such matters as land, development, funding, indemnities, any dependencies such as future applications for planning permissions and Compulsory Purchase Orders. The necessary level of detail to inform the legal process may not be known until the end of the competitive dialogue process when the final tenders and legal agreements may be submitted.

For example a joint venture vehicle may be appropriate between the Council and the developer partner supported by a development agreement. Alternatively, there could be a joint working / 'partnership' style agreement supported by a development agreement.

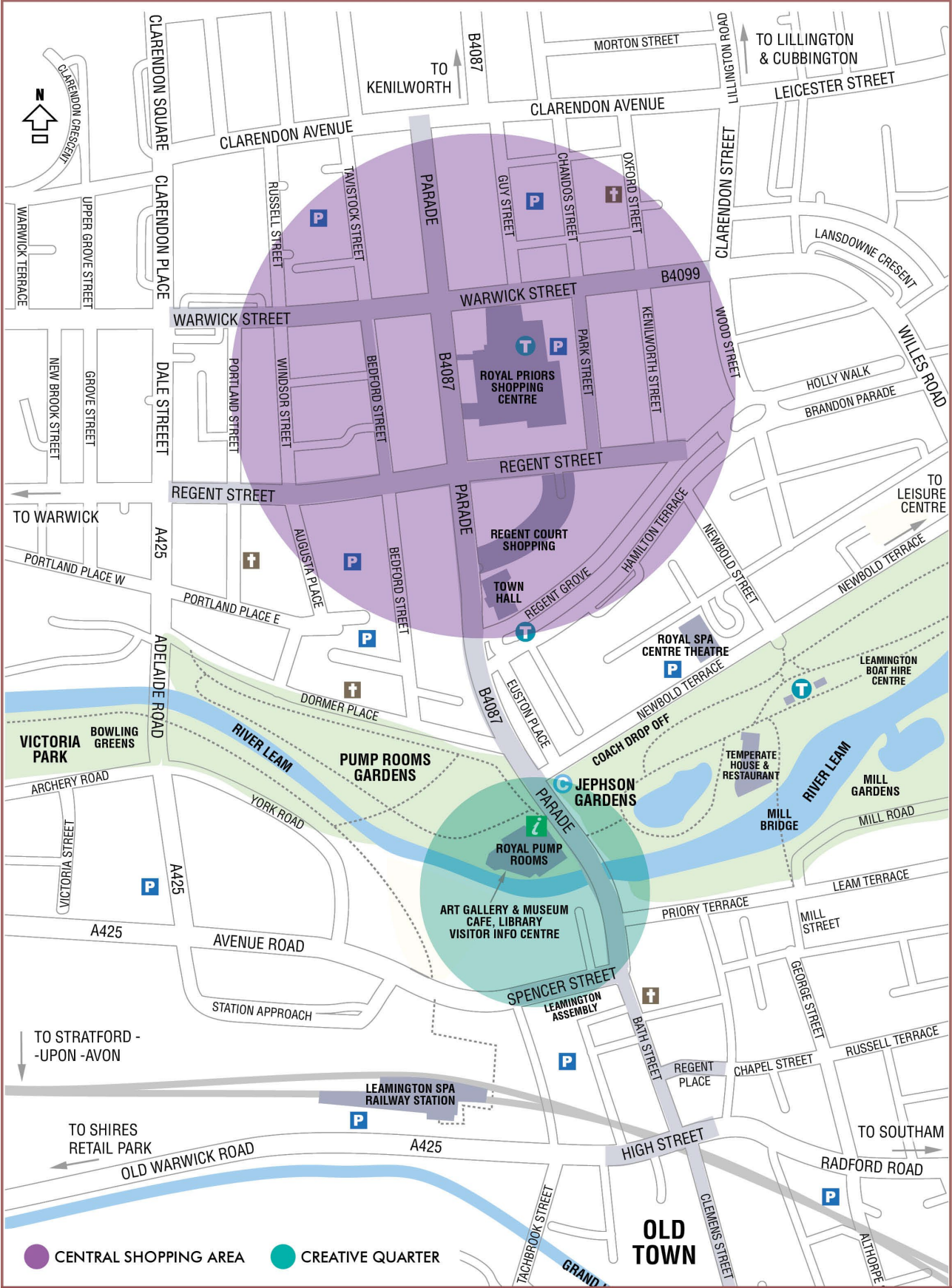
However, if the soft market testing's findings are decisive in what option and the level of detail that the Council is prepared to finalise at the outset there can be more clarity around what is required to support the option.

7. FUTURE MANAGEMENT:

As part of the formal competitive procurement process the Council would require a development proposal that clearly set out how any scheme would be successfully managed. The proposal would set out a sustainable management structure and management plan including details of how the scheme would be promoted and marketed. This is particularly relevant to the Royal Pump Rooms where a more detailed proposition of how any changes to the complex would be arranged, undertaken; and the building let and managed.

Duncan Elliott
Chief Executive's Office
May 2015





ROYAL LEAMINGTON SPA
TOWN CENTRE



Wider regeneration Area



Appendix 3

Creative Quarter – Site and tenancy information:

1. CREATIVE QUARTER SITE AREAS:

Overall site areas: (As shown edged red on the **Plan** – see section 4 below).

- Royal Pump Rooms area: 0.44 hectare (1.1 acre)
- Spencer Yard area: 0.33 hectare (0.8 acre)

2. ROYAL PUMP ROOMS:

Description:

The iconic central former Spa complex built in 1814, with later additions including the former Victorian swimming pool added in c.1870. The building was substantially refurbished in 1999 when it was converted by the Council into its present uses of: Art Gallery and Museum; central Library, and cafe and function rooms. This Council holds the freehold interest.

Tenancies:

Plan ref.	Part	NIA Sq. m (Sq. ft.)	Tenant/Occupiers	Lease/Occupation details	Rent (£)
A.	Art Gallery and Museum + Main entrance/concourse area	1,243 (13,380) 253 (2,723)	Warwick District Council ('WDC')	WDC's own occupation	Nil
B.	Leamington Public Library	1,463 (15,748)	Warwickshire County Council	49 year lease: <u>From:</u> 12.8.1999 <u>To:</u> 11.8.2048	£1 p.a. + service charge for 37.53% of the R&M costs of building.
C.	Café; Assembly Rooms; and 'The Annex' function Room.	547 (5,890)	Crown Holdings Ltd (Trading as Kudos).	6 year Lease. <u>From:</u> 1.1.2012 <u>To:</u> 28.2.2018 Lease excludes the Sections 24-28 security of tenure	£1p.a.

				provisions of the Landlord and Tenant Act 1954. Plus 'Concession contract' for the same period	Council's 'concession' income is based on: <ul style="list-style-type: none"> • 5% of café turnover; and • 15% of event 'sales'.
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3. SPENCER YARD AREA:

Description:

The period North Hall and West Wing buildings and were compressively refurbished in 2006, as part of local regeneration programme. The pre-war 'Old Dole Office' is a two storey former workshop building in poor condition; currently used exclusively for storage purposes by the present tenants. The Council hold the freehold interests.

Tenancies:

Plan ref.	Unit	NIA Sq. m. (Sq. ft.)	Tenants	Lease details	Rent (£)
1.	United Reform Church (URC'), Spencer Street.	1,408 (15,155)	Vacant	n/a	Nil
2.	North Hall, Spencer Yard.	300 (3,230)	1) Hybrid Arts. Gnd. floor offices 2) Hybrid Arts 3) Heartbreak Productions.	15 years from 1.6.2006 2 years from 4.6.2014 3 Years from 1.4.2014. (Lease not yet completed).	£11,000 p.a. + s/charge £4,824 p.a. + s/charge. Peppercorn + s/charge
3.	West Wing, Spencer Yard.	189 (2,034)	Motion House	15 years from 1.6.2006	£13,717 p.a. + s/charge.

4.	'Old Dole Office', Spencer Yard.	(Not measured)	1) Loft Theatre 2) Heartbreak Productions	Undocumented tenancy agreement. Undocumented tenancy agreement	£1,000 p.a. Peppercorn.
5.	Car Parking areas, Spencer Yard.		No agreements		

Note:

All of the above floor areas have been assessed and calculated by informal survey only. They should not be relied on for accuracy.

4. SITES PLAN:

(See next page).

