

Cabinet  
8 July 2021

**Title: Development Brief for the Riverside House site**  
**Lead Officer: Heather Johnson**  
**Portfolio Holder: John Cooke**  
**Public report**  
**Wards of the District directly affected: Milverton Hill, Leamington Spa**

Contrary to the policy framework: No  
Contrary to the budgetary framework: No  
Key Decision: Yes  
Included within the Forward Plan: Yes  
Equality Impact Assessment Undertaken: No  
Consultation & Community Engagement:  
Final Decision: Yes  
Accessibility checked: Yes

**Officer/Councillor Approval**

<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive	07.06.21	Chris Elliott
Head of Service	07.06.21	Chris Elliott, Philip Clarke
CMT	14.06.21	Chris Elliott, Andrew Jones, Dave Barber
Section 151 Officer	15.06.21	Mike Snow
Monitoring Officer	16.06.21	Andrew Jones
Finance	04.06.21	Mike Snow
Portfolio Holder	28.06.21	Cllr Cooke

## **1. Summary**

- 1.1. The purpose of this report is to enable Cabinet to approve the wording of the draft Development Brief for the future development of the Riverside House site for public consultation. If subsequently agreed, it would enable proposals to then be put forward for the development of the site.

## **2. Recommendations**

- 2.1. That Cabinet approves the contents of the draft Development Brief for the Riverside House site attached at Appendix 1 for the purposes of carrying out public consultation based on the approach set out in paragraphs 3.7 and 3.8 of this report.
- 2.2. The Cabinet delegates authority to the Chief Executive in consultation with the Portfolio Holder for Place and Economy to approve the final version of the brief for consultation once it has been formatted in the corporate styling and branding.
- 2.3. That Cabinet notes it will receive a report on the outcomes of the public consultation and on any implication for the contents of the Development Brief.

## **3. Reasons for the Recommendations**

- 3.1 The Council has long signalled its intention to dispose of the Riverside House site at some point in the future by supporting its allocation for housing in the current Local Plan. The underlying issues of the need for the Council to move out of Riverside House remain, and indeed have intensified because of the pandemic. Namely:  
  
A) the building is too big for the Council's needs (the building has been almost empty for the past year and it is anticipated that the future working arrangements will be based on a hybrid model of more home working and on-site working and less office-based working, all of which have driven down the demand for office space even further.)  
  
B) it is too expensive for the Council (costing almost £700,000 a year to run) especially in the context of the financial challenges of the Council which have increased over the past year and all members agreed a package of proposals to address the financial gap and this included leaving Riverside House.
- 3.2 The joint work with SDC offers the opportunity to consider sharing an office which would drive both construction/acquisition costs as well as running costs down further. This will need to be the subject of a separate and detailed report by the time that the report on the Development Brief comes back to the Cabinet for consideration.
- 3.3 As Members will be aware, planning permission for housing on this site was granted in 2018 however this permission has now lapsed and that proposal is not being taken forward. This has also given the Council the opportunity to reflect on the issues that arose from the previous proposal such as the ensuring the provision of affordable housing and the protection of trees, as

well considering the wider aspirations of the Council and local communities that have evolved in the time since the previous proposal was considered. In particular, the Council declared a Climate Emergency in 2019 and places tackling the emergency as the central policy of this administration. This requires the Council to demonstrate leadership and so to set an example for net carbon zero developments on its own land if it expects others to follow.

- 3.4 For the Council to consider future housing proposals on the site, and to guide any future disposal of the site it will make, it is proposed that a Development Brief is prepared. A Development Brief can articulate the Council's planning policy and design aspirations for the site. As the site is in Council ownership, however, the Brief can go beyond any normal planning requirements that it would place on other landowners and can set out particular community or other benefits that the Council wishes to see delivered on the site as well as seeking to meet the Council's Climate Emergency declaration.
- 3.5 Officers have worked up a draft Development Brief for the site which is attached in Appendix 1. The draft Development Brief seeks to provide a clear and public expression of the Council's aspirations for the future of the Riverside House site, bringing the site forward for housing in accordance with its allocation in the Local Plan, and with other Local Plan policies, such as for affordable housing and anticipating the publication of a DPD on sustainable buildings (see elsewhere on this agenda). If approved by the Cabinet the brief will need to be corporately branded and styled prior to publication.
- 3.6 In the previous planning permission, the development of the Riverside House site was linked to the redevelopment of the Council's car park at Covent Garden in Leamington town centre. This draft Brief does not have this dependency as it is not assumed that replacement offices for the Council are to be built at Covent Garden and so just considers the Riverside House site by itself.
- 3.7 It is proposed that there is a public consultation on the draft Development Brief over a period of around 10 weeks, since it is likely to fall in part over the summer holiday period. The expectation is that once the document has been consulted upon, that the final Development Brief will be brought back to Cabinet for final consideration and approval. At that time the Cabinet will have to consider and agree if and how the site would be brought to the market. A target date for the report on the final Development Brief to return to Cabinet would be November 2021.
- 3.8 The proposed approach to the public consultation is to provide a platform for constructive and interactive dialogue that reaches interested parties and town centre groups, including Leamington Town Council. It is proposed that a direct approach is taken in the immediately surrounding area of the site, including measures such as leafleting, with specific online, virtual drop-in discussions available for individuals and groups, supported by information on the Council's website and on our Facebook page. A more detailed programme for consultation will be put together by officers once the Cabinet have determined this report.

## 4. Policy Framework

### 4.1. Fit for the Future (FFF)

4.1.1. The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

This report shows the way forward for implementing a significant part of one of the Council's Key projects.

4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

### 4.2. FFF Strands

#### 4.2.1 External impacts of proposal

**People - Health, Homes, Communities** – Re-development of the site will deliver new homes, including at least 40% affordable housing, in line with the Local Plan site allocation. It will deliver further connectivity for the community between the town centre, river walk and green park spaces.

**Services - Green, Clean, Safe** – The re-development of the site is to be delivered in a sustainable way and supports the Council's ambition of becoming a carbon neutral Council by 2025 and for total carbon emissions within Warwick District to be as close to zero as possible by 2030. The development will be net zero carbon in operation and it will be built to high quality standards. The car park will have appropriate levels of electric charging points, with the ability to add further in the future as requirements are likely to increase. The site will deliver improved connectivity between the town, river walk and public green spaces.

**Money - Infrastructure, Enterprise, Employment** – Re-development of this site will provide housing which will contribute towards local jobs and the local economy. The employment currently provided on site will be re-provided in another location(s).

#### 4.2.2. Internal impacts of the proposal

**People - Effective Staff** – The re-development of Riverside House supports different and flexible ways of working for Warwick District Council and delivers efficiencies in terms of service availability.

**Services - Maintain or Improve Services** – The re-development of the site supports the shift to the increase in pace of the digital agenda in terms of the Council's operations.

**Money - Firm Financial Footing over the Longer Term** – The re-development of the Riverside House site will maximise the revenue opportunities for the site. It is estimated to deliver a minimum of annual revenue savings to the General Fund of circa **£475,000** for the Medium

Term Financial Strategy and also remove significant overhanging capital costs required to maintain Riverside House.

### 4.3. **Supporting Strategies**

- 4.3.1. Each strand of the FFF Strategy has several supporting strategies. The Local Plan is one of the key strategies impacting most FFF strands and the proposal to redevelop Riverside House is consistent with the relevant supporting strategy.

### 4.4. **Impact Assessments**

- 4.4.1 There are no equality impacts associated with the proposals in this report.

### 4.5. **Changes to Existing Policies**

- 4.5.1 There are no changes to existing policies.

## 5. **Budgetary Framework**

- 5.1 The Council's aspirations are to bring forward an exemplar scheme that delivers its Climate Change objectives and the provision of at least 40% affordable housing in line with the Local Plan allocation and policies. Members need to be aware that in doing so, there will be an impact on the site's value as information received indicates that following reductions with the CIL and Section 106 contributions due, that there might be little, if any capital receipt for the Council. Ultimately, this can only be tested at the market (however, there is greater certainty as to the cost savings to be made due to the changes to current Council operations/commitments).
- 5.2 However, in doing nothing, the office accommodation costs to the Council are increasing annually. The re-development of the Riverside House site is anticipated to create revenue savings for the Council in terms of the Council having alternative accommodation. Within the Medium Term Financial Strategy savings of £250k per annum have been included from 2022/23, increasing to £475k per annum from 2023/24. These figures are for the General Fund only, implying further savings should be released for the Housing Revenue Account. With no, or minimal, capital receipt from Riverside House, achieving these savings would then depend on the Council having to borrow to fund any development, so increasing the revenue costs in term of debt charges.
- 5.3 Members will recall the substantial savings proposals that have been included within the Budget and MTFS. If these savings are not achieved, members will need to agree where further savings may be made or income generated to enable the Council to balance its Budget into the future.

### 6. Risks

6.1 The key risk associated with the development brief is that the planning requirements for the site, as set out, are such that the development is not viable. However, this is not assessed as a high risk, as viability of delivery will be a reasonable factor for consideration when assessing future proposals.

6.2 Given that the Council is looking to bring forward the site, in compliance with all planning requirements and the Development Brief, including achieving the Council's central policy of responding to the Climate Emergency and taking a leadership role in doing so:

6.2.1 There is a potential adverse impact on value, with the possibility that the potential capital receipt for the Riverside House site is too low, making it difficult to deliver the savings identified in the MTFS.

However, this risk has to be balanced with the equal risk that comes with not moving out of Riverside House and so having to find the same level of savings from other sources. Fundamentally, as a risk mitigation the Council can do further work to assess how it may achieve value from the site by the time it reports back to Cabinet on the Development Brief.

6.2.2 There is a risk to ensure that the eventual disposal of the site represents best value. Under Government Regulations any Local Authority disposal where the disposal value is more than £2m under the market value for the site, a specific consent is required of the Government. However, the standards expected by the draft Development Brief are unlikely to depress the value much (if at all) below the threshold valuation stated above. Officers will obtain independent external valuation advice on this point.

### 7. Alternative Options considered

7.1. The Council could choose not to approve this draft Development Brief and instead rely on policies in the Warwick District Local Plan and in other adopted Supplementary Planning Documents. Whilst this approach would still enable the site to come forward in compliance with planning policy, it would not allow the Council to articulate its wider ambitions for the site and maximise the community benefits that the redevelopment of this site would bring. This alternative option has therefore been discounted.

7.2. It should be noted that by requiring that wider community benefits are delivered than that may usually be required on a site owned by another party, that it may impact on the eventual land receipt that the Council receives for the site or may even require a financial contribution in order to achieve them. The Council could choose to vary the Brief and reduce the requirements on the site with the intention of driving up its land value, but the steer from Cabinet has been to develop a brief that sets out the Council and wider community aspirations. This option has therefore been discounted.

### Appendix 1: Draft Development Brief for the Riverside House site

