

temporary as part of the displacement strategy, there is a possibility that the car park could run at a loss in the short to medium term. There would be no distribution of costs or revenues to CDP.

Options 2, 3 and 4 – WDC could either take a land receipt or a profit share, which in Options 2 and 3 would be subject to receiving the required gap funding.

4.2.4 Options Summary

We consider that Court Street has significant potential to deliver an exciting new hub for creative and digital industries, to enhance the offer that is already provided within WDC's arches to the north of the site.

Option 1 is cost and revenue neutral to the Council but does not contribute towards the ambitions set out in the Big Picture document, and does not accord with the ethos of the Creative Quarter.

Options 2 and 3 both contribute towards providing the much needed office space to varying degrees, and both proposals will repurpose and restore the Stoneleigh Arms. Depending on the Council's objectives, there are then opportunities to deliver additional parking on site as part of the displacement strategy (which is costly and would require grant funding), additional workspace, or a combination of the two.

In the long term it is possible that a decked car park could be repurposed to provide additional office space, however there is a risk that it would be too late to accommodate the current levels of demand that we are experiencing. Dependant on the level of car parking that would be required; there are opportunities for a wider mix of uses, and greater receipts to the Council.

Option 4 could be considered if WDC's priority was to maximise the viability of the site, and provide residential rather than commercial uses. A balance could still be struck with the ambitions of the Creative Quarter by providing live/work units, in a village style atmosphere.

The current phasing proposal means that under Options 1 and 2 the maximum provision of surface level car parking can be maintained on the Phase 2 site whilst the Phase 1 site is being developed. We therefore consider this to be the most appropriate solution that best aligns with the current displacement strategy.

We have undertaken high level appraisals for a series of feasible design solutions and it may be that once detailed survey work and design work commences, a hybrid solution, or variation is proposed. The aim of the work carried out to date is to set out indicative development ideas and a business case to WDC, in order provide a broad guide on the range of financial results that could be delivered.

4.2.5 Site Specific Recommendations / Next Steps

We recommend the following next steps are undertaken as soon as possible within Phase Two:

- WDC to confirm their parking requirements in order that the development options can be narrowed down and progressed. This is particularly in light of the new green agenda;
- WDC and CDP to enter into a development agreement which will set out more detail in respect of the cost and revenue shares at the appropriate time, once WDC has provided more definitive guidance on the acceptable use of the site; and
- If Option 2 or 3 is preferred, WDC and/or CDP would need to continue to apply for grant funding.

5.0 Recommendations

Within this report, we have set out our recommendations for each site based on the individual high level site appraisals that have been undertaken in accordance with the Collaboration Agreement. For ease of reference, we have combined and tabulated the site specific recommendations at Appendix 3.

We set out below the overarching recommendations that will draw the potential development of WDCs sites together (including the site specific recommendations), to maximise the potential opportunities within the Creative Quarter as set out below.

- 1) As per Schedule 2 of the Collaboration Agreement, enter into Development Agreements with CDP to confirm the cost and revenue shares between the parties moving forwards. The Agreements would make allowances for different structures on each site as required, and as per the site specific recommendations, and will be undertaken on a site by site basis, starting with Spencer Yard;
- 2) WDC instruct CDP to carry out wider public realm works as required, including the coordination of grant funding applications, wayfinding initiatives etc. which will be subject to a separate scope of services on terms to be agreed; and
- 3) In some cases, we consider it would be in the best interests of Leamington Spa for assets to remain in community (council or charity) ownership. We would recommend that the potential for these assets to be transferred into a charitable trust (similar to the Historic Coventry Trust) is explored, which would unlock more potential for grant and ensure that there is sufficient long term revenue to secure the upkeep of these important assets. Advice on this can be provided by CDP to WDC subject to receiving instructions from WDC on terms to be agreed.

Please note that any transfer of freehold or leasehold land from WDC to CDP is subject to both parties agreeing the market value of the asset in accordance with the Collaboration Agreement.

6.0 Conclusion

This report sets out the high level business cases for each of the council owned assets that have been considered as part of Phase One of the Collaboration Agreement. They have been based on high level working assumptions given the extent of information available, but form the basis of a mutual understanding between WDC and CDP on the principles of development for each site, should the recommendations in each scenario be accepted.

This report together with the attached Appendices, is considered to fulfil the requirements of the Collaboration Agreement and Executive Report, and therefore upon approval by WDC would constitute sign off of Phase One of the Collaboration Agreement.

The proposals and recommendations set out in this report are based on a holistic strategy, and as such we have attempted to allocate best uses accordingly. The overall aim has been to ensure a balanced Masterplan is capable of being delivered to fulfil the ambitions set out in The Big Picture. As an example, the URC could be used as a market and events space, however we consider those uses would be best housed in the Pump Rooms (if that scheme is brought back into the Creative Quarter in Phase Two), which has far more prominence and chance of success. The logical solution is therefore to propose a more economically viable use within the URC that still contributes to the Creative Quarter aspirations. This has been the principle of our phasing strategy and site prioritisation.

We understand from our discussions with WDC that potential grant funding pots to improve place-making and wayfinding within the Creative Quarter have been explored previously. We consider this to be vital to the success of the Big Picture, and so work on this as well as wider initiatives to create a comprehensive regeneration should be continued.

Assuming WDC sign off the recommendations within this report, CDP and WDC will proceed with the identified next steps as part of Phase Two of the Collaboration Agreement.

Appendix 1

The Big Picture

Appendix 2

Map of Council Assets

Appendix 3

Site Specific Recommendations