

CREATIVE QUARTER ROYAL LEAMINGTON SPA



Regeneration Brief & Marketing Pack





Royal Leamington Spa is a beautiful and successful Regency spa town in Warwickshire. 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 on, and regenerate, the historic Old Town and riverside area of the town centre.

We are now seeking an innovative, tenacious and experienced regeneration 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

Sections

1. Context
2. The Regeneration Area
3. The Council's Brief
4. Property interests
5. Planning policy
6. Legal issues
7. Future management
8. Procurement and Tender process

Appendix 1 – Regeneration Area

Appendix 2 – Town Centre Plan

Appendix 3 – Spencer Yard area: Tenancy information.

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 the Motionhouse dance company; Heartbreak Productions; and The Assembly music venue are based.

Another key opportunity is that the town is also one of the strongest digital gaming clusters in the UK – 'Silicon Spa'. 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 the most high profile part of this opportunity, being 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 the full range of creative industries and businesses.

2. THE PARTNERSHIP BEING SOUGHT:

The Council is specifically not simply marketing its current properties for sale and development. It is seeking a far more strategic regeneration partnership with a company with whom it can work to realise the on-going phased regeneration of this part of the town centre over the next 5-10 years.

The Council is therefore seeking clear and cohesive regeneration proposals from parties, providing a clear, exciting and deliverable vision, that can then be worked up into distinct projects and phases over time. The chosen partner would be the Council's preferred developer partner for any agreed proposals. This could take the form of the Council agreeing the input of its properties in Spencer Yard, and the partner pro-actively creating other development opportunities within the area.

The Council views its role as:

- 'Assisting, enabling and supporting'. This could take the form of supporting and advancing supporting CPO's (if required); and assisting in any private discussions with or between private land owners.
- Being a joint scheme advocate and Sponsor.
- Being a local authority partner for advancing any grant of public funding bids.

All of the above against agreed objectives.

3. THE REGENERATION AREA:

This regeneration area is situated in the northern part of the Old Town part of the town centre, and is shown on the aerial photo in **Appendix 1**. This area is located just to the south of the central hopping and business areas; and adjacent to the town's stunning riverside civic parks and gardens. See the Town Centre location context plan in **Appendix 2**.

The Council is not seeking to stipulate the precise boundaries of the regeneration area, or development site opportunities within it. This is specifically to promote flexibility in the invited regeneration and development proposals. Prospective regeneration partners are encouraged to put forward comprehensive proposals that in their view best meet the Council's overall objectives for the creation of a new Creative Quarter. These are specifically encouraged to include privately owned properties that may be required to achieve: (i) improved access routes and physical linkages into and around the area, and (ii) viable new sites and development opportunities.

Short-listed parties are invited to identify the properties that they consider to be necessary to secure the most attractive overall development opportunity for their initial proposals.

4. THE COUNCIL'S BRIEF:

The Regeneration area:

The Council has an ambition to regenerate this historic and diverse area. This includes Spencer Yard, where the Council owns the majority of the current properties.

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

Any proposals should also promote and provide key linkages to the central shopping and business areas to its north; the main Old Town area to the south; and strategically the Railway Station development area to its south-west.

Proposals should set out how this area could become a bright, vital and distinct destination and integrated Creative Quarter attraction for the district. Also, how they could fuse together the existing rich historic architecture with a modern twist. The environment should be based around new developments, refurbished buildings, and active public spaces.

Soft-market testing undertaken has illustrated the need for the area to be regenerated as whole, and for an interesting, vibrant and 'intelligent' anchor

'hub' attraction for this new quarter. Proposals should also aim to provide a complementary mix of creative businesses and 'public facing' cultural, artistic, and catering attractions.

Proposals should therefore:

Define the character and new purpose for the whole of this area.

Create a deliverable investable vision for this new Quarter.

Develop and deliver new space for these creative industries.

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 creative 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.
(Note: Having regards to the existing tenancies).

And also:

Define their strategy for seeking out and securing private and public sector funding for any proposals.

Define the privately owned properties required for their scheme.

Define any special partnership arrangements required with the Council to take such proposals forward through to delivery.

Proposals should provide for the following full range of creative uses. This could include the following:

- Cultural, artistic; educational; performance; training, food and craft based businesses. Cafés and restaurants.
- There is also specific market demand from the digital industries, and for a new digital 'hub' for this growing sector.
- Health uses based around the spa history and waters may also have possible potential.
- Residential (including live-work) would also be very suitable as part of an overall mixed-use vision.

- Arts and Culture; Digital Games; Music; Performance; TV and Film; Publishing; Design; Craft; Technical; Advertising; Training; Architecture; Educational; Food etc.

Soft-market discussions (and others with the developer industry) indicate:

- A very clear appetite to create a very broad complementary mix of uses in this area.
- A specific market demand from the digital industries, and for a new digital 'hub' for this growing sector.
- Health uses based around the spa history and waters may also have possible potential.

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 consider remodelling the building's layout so that it might:

- Utilise and enhance the river frontage, and relate to new proposals for the greater Spencer Yard area opposite.
- Be more transparent to users, and break out onto (and relate to) the Pump Rooms Gardens.
- Protect, better reveal and celebrate the building's architectural heritage.
- Increase 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 the opportunity 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.

3. PROPERTY INTERESTS:

The input and disposal of the Council's assets:

The Council will consider committing to dispose to the regeneration partner 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 partner to work with its tenants in agreeing individual solutions for any detailed proposals.

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.
- + the nearby Bath Street public car park to the south.

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

The other buildings in this area are privately owned:

With the exception of the above all of the properties are privately owned. Whilst being in the Conservation Area some have the obvious potential for inclusion in any regeneration proposals.

Of particular note is the **Loft Theatre, in Spencer Yard** (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 partner will be encouraged to acquire key additional property interests (if required) for their overall proposals and resulting scheme(s). This would be subject to the partner demonstrating that such properties were crucial to delivering any agreed scheme. The Council would then consider using its potential 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 partner. In due course the Council would agree a detailed site assembly strategy with its preferred partner.

4. PLANNING POLICY:

Creative, 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.

5. 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.

6. 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.

7. THIS PROCUREMENT AND TENDER PROCESS:

This opportunity is being marketed by the Council by way of a 'Competitive Procurement with Negotiations' process.

Note: The precise process is being drafted and will be included here.

This will comprise the Council setting the 'Minimum requirements' it is seeking from those parties bidding. These will include requirements based around:

- *Attractive development proposals that are deliverable.*
- *A phased regeneration masterplan being submitted.*
- *Proposals that are financially sustainable for the Council.*
- *Principal Heads of Terms being submitted.*
- *Any legal structure proposals having regard to the Council's model Development Agreement (that will be supplied by us with our Brief.)*
- *A financial model to demonstrate viability*
- *How they propose to use the Council's assets.*

Consequently, the bids and submissions the Council will receive back from bidders will respond to these requirements. The Council will then consider the bids received against these minimum requirements. The Council's judgement on the above will then be based around an 'Award Criteria' based upon:

- *Deliverability.*
- *Fundability.*
- *Meeting the criteria of our Development Brief.*

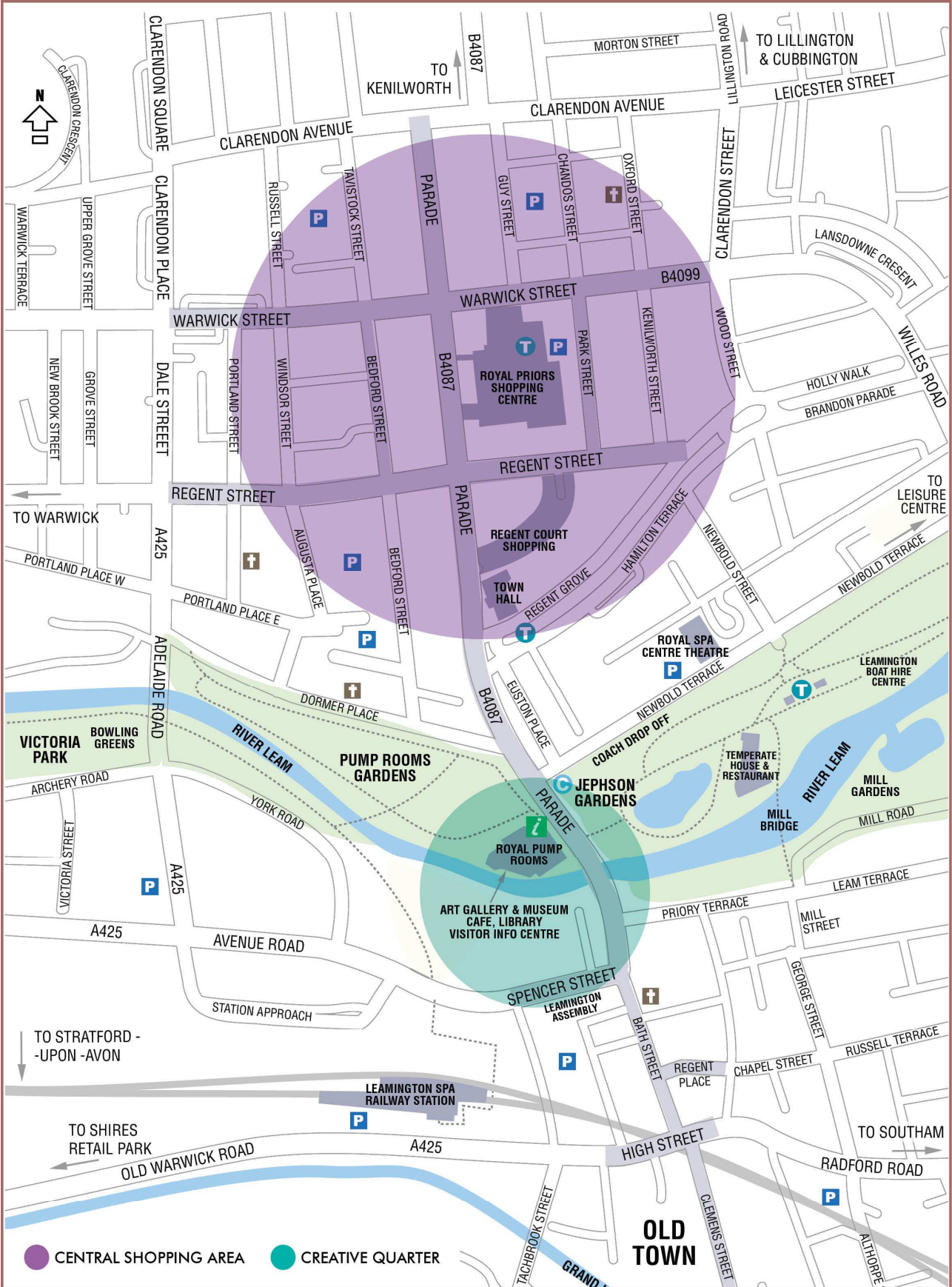
Duncan Elliott
Chief Executive's Office
October 2015



Appendix 1

Regeneration Area





ROYAL LEAMINGTON SPA
TOWN CENTRE



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 provisions of the Landlord and Tenant Act 1954. <u>Plus</u> 'Concession contract' for the same period	£1p.a. Council's 'concession' income is based on: • 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) Heartbreak Productions.	15 years from 1.6.2006 3 Years from 1.4.2014. (Lease not yet completed).	£11,000 p.a. + s/charge Peppercorn + s/charge
3.	West Wing, Spencer Yard.	189 (2,034)	Motionhouse	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).

