

WIRRAL COUNCIL

CABINET – 19th March 2009

REPORT OF THE DEPUTY CHIEF EXECUTIVE/DIRECTOR OF CORPORATE SERVICES

West Kirby Regeneration - The Sail Project

1. Executive Summary

- 1.1 This report informs Cabinet of the details of Carpenter Investments' revised design proposals for the Sail Project. The report asks Members to consider the design proposals in the context of the Council's aspirations for the regeneration of Hoylake and West Kirby as well as the wider ambitions of the Council's Investment Strategy. The report seeks a decision from Cabinet on whether to continue their support for the revised proposal based on the designs submitted. If Members are supportive of the revised scheme design, a further report will be brought to Cabinet on 9th April on the associated financial package for the project, including the details of an independent valuation assessment to determine whether the scheme represents value for money to Wirral Council.

2. Background

- 2.1 In November 2004 Cabinet approved the Master Plan for the regeneration of Hoylake and West Kirby. The plan was worked up between 2002 and 2004 and was the subject of considerable public consultation involving 13 public events with an estimated 1500 people in attendance culminating in a two page wrap-around in the local press.
- 2.2 The plan identifies a number of short, medium and longer term projects that will contribute to the regeneration of both towns, one of the short term schemes being the replacement of the Sailing School at the head of the marine lake. This scheme is now being taken forward through the Sail Project, which involves the creation of a new, state of the art Sailing School and boutique hotel complex funded entirely through the private sector and at no cost to the Council.

3. Update on progress

- 3.1 Further to satisfying the requirements of the lock-out agreement, Carpenter Investments submitted a revised, outline, scheme proposal in November 2008. At its meeting in December 2008 (minute 289 refers), Cabinet approved a three month extension to the lock out agreement to the 10th April 2009 to allow Carpenter Investments time to provide more details about their revised proposal, specifically in relation to what the scheme will look like and the associated financial package.
- 3.2 Carpenter Investments has now provided details of their revised scheme proposals. Plans and images of the revised scheme are attached to this report (see appendix 1 – 9). Carpenter Investments has also provided some financial information and are in the process of providing further financial detail at the point of writing this report. Officers from Asset Management are in the process of commissioning an independent assessment of the financial details to determine whether the proposed financial deal

represents value for money. This will be reported to members on 9th April Cabinet meeting, subject to members continuing their support for the scheme in the light of the revised scheme design.

- 3.3 Since the December Cabinet, no further consultation has been undertaken in relation to the scheme. There have been a number of requests for the developer to undertake further public consultation activities. However, Members should be aware that the programme of consultation undertaken by the developer during summer 2008 was consistent with the requirements of the Council's Statement of Community Involvement for potential new development at the pre-planning application stage. Further public consultation will be carried out by Carpenter Investments in the event that a planning application is submitted, in accordance with the Statement of Community Involvement.

4. Rationale for Revised Scheme Proposal

- 4.1 The revised scheme proposal being put forward is significantly altered from the stage 2 development proposal put forward by Carpenter Investments in December 2006.
- 4.2 The changes adopted in the revised scheme are a direct result of the developer seeking to take on board feedback received from the public consultation exercise. A significant concern expressed at the public consultation over the summer of 2008, related to the design, scale and massing of the proposed hotel building. The developer has appointed a new architect to the project and the new proposals for the hotel and sailing school reflect a significant change in design direction.
- 4.3 In terms of scale and massing, the new design for the Dee Lane element (the proposed hotel) occupies a smaller footprint than the previous proposal and leaves part of the Dee Lane car park with an open aspect onto South Parade. This responds directly to the consultation exercise in relation to concern expressed about the loss of views. However, feedback from an independent Design Review Panel indicates that the hotel design would be improved if it occupied the whole frontage of the Dee Lane Car Park along South Parade (see section 6).
- 4.4 The overall massing of the building has also been reduced from the stage 2 development proposal. On Dee Lane, the height is reduced to two storeys in line with guidance from Development Control officers, with the remainder of the building occupying three storeys. However, the inclusion of a rooftop pavilion set back and to the southern end of the building creates a fourth storey on part of the building which represents a change from the outline plans that were reported to Members in December 2008.
- 4.4 The overall reduction in the scale and cost of the scheme is also a reflection of changing economic conditions over the last six months. However, the reduction in scale does not reflect a reduced specification for the sailing school. Carpenter Investments has also indicated that the reduced scale does not reflect a reduction in the quality of the overall scheme.

5. Summary of revised proposal

- 5.1 The revised scheme involves the creation of a new state of the art Sailing Centre on the footprint of the existing building at the head of the marine lake and a boutique hotel on the Dee Lane car park.

- 5.2 The sailing school building has been designed to accommodate the Council's specification in terms of improved, high quality facilities both for users of the Sailing School and members of the public who hold a licence using the lake. The proposed new building is over two floors with ramped access to the first floor to a public viewing point out across the Dee Estuary. The new building includes provision of a café and ice cream kiosk which will not be operated by the Council but will be sub-leased by Carpenter Investments to third parties with rental income going to Carpenter Investments. The building also includes the re-provision of public toilets to be run by the Council. On site boat storage is increased and dedicated boat storage facilities for community sailing groups are re-provided. The Director of Regeneration is supportive of the sailing school design proposals being put forward.
- 5.3 The revised hotel proposal is a 40 bedroom facility which is smaller than that proposed in the stage 2 development proposal. The hotel includes a dining room, an informal bistro and wide terraces which were a feature of the original design. The conferencing element has been reduced in scale. However, the spa and leisure element of the hotel has been increased to include a pool, gymnasium and treatment room facilities. The enhanced spa and leisure facilities have been incorporated to improve the overall viability of the hotel offer and would be restricted to hotel guests and private membership. Carpenter Investments propose sub-letting the spa and leisure facilities to a leading, high-quality spa operator.
- 5.4 The revised hotel proposal does not include any basement car parking. In the light of building cost estimates, Carpenter Investments has indicated that the return on investment for this element of the scheme does not provide a sufficient level of return on the level of capital investment required. The basement parking would require a capital investment in excess of £1 million to create 54 parking spaces. The revised scheme now provides approximately 86 parking spaces at surface level which represents a net loss of 85 parking spaces on the current provision at Dee Lane. These parking spaces would be for users of the hotel and ancillary facilities as well as the general public. The Director of Technical Services has indicated potential concern about the impact of reduced parking provision and would require the Developer to demonstrate how these concerns would be overcome via detail with any subsequent planning application.
- 5.5 The hotel and sailing school are linked into a single, integrated scheme through the use of similar materials for both buildings. The scheme proposes recycling the red sandstone from the existing sailing school building into elements of the two buildings as this material is common to the area and sympathetic to the coastal environment. Both buildings are finished in similar materials including red sandstone and white render as well as making good use of glass to maximise the views and animate the frontages of the buildings.

6. Places Matter Design Review Feedback

- 6.1 In response to a request from the North West Development Agency (NWD), the design proposals have been reviewed by Places Matter, an independent architecture and built environment review centre supported by the NWD, the Commission for Architecture and the Built Environment (CABE) and the Royal Institute for British Architects (RIBA) North West. The feedback report from the review process supports the ambition of the scheme in creating a destination for both visitors and residents.

- 6.2 The report also recommends a number of suggested design improvements including the following:
- The panel recommended that the hotel building should fill the full length of the Dee Lane site along South Parade in order to reinforce the linear quality of the design.
 - The panel did not feel there was a justification for the basement car parking in view of the significant costs this would entail.
 - The panel felt that the entrance to the Hotel would be best located on South Parade rather than Dee Lane.
 - The panel felt that consideration must be given to the surroundings of these two strong architectural statements and the public realm design should be seen as a setting for them and treated in a robust way.
 - The viewing ramp on the Sail building itself was supported. However, the panel thought this could be improved to include more panoramic views.

7. Conclusion

- 7.1 Carpenter Investments has submitted a revised scheme design for the Sail project. The amendments to the scheme have been made to reflect feedback from the public consultation exercise in June 2008 as well as the significant changes that have taken place in the economy in the last six months.
- 7.2 Despite the scheme being smaller in scale, the Council's specification for the sailing school facility has not been reduced. Carpenter Investments also indicates that the reduced scale does not reflect a reduction in the quality of the overall scheme in delivering a state-of –the-art new sailing school and high-quality boutique hotel.
- 7.3 The scheme does not now include any basement parking and as such proposes a net loss of approximately 85 parking spaces. If the developer proceeds to the point of submitting a planning application, the Council will require a full traffic management assessment as part of the planning process.
- 7.4 An independent Places Matter Design Review panel has indicated clear support for the ambition of the scheme in creating a destination for both visitors and residents. The design review also makes a number of recommendations about how the design could be further improved. Subject to Cabinet indicating its continued support for the scheme, it will be at the discretion of Carpenter Investments as to whether to take on board the design improvement recommendations if they proceed towards the submission of a full planning application.
- 7.5 Subject to Cabinet indicating its continued support for the scheme, Officers will prepare a report for Cabinet on 9th April in relation to the financial package being put forward by Carpenter Investments. This report will also provide details of an independent valuation of the proposed financial package.
- 7.6 Subject to Cabinet indicating its continued support for the scheme and the proposal representing value for money for Wirral Council, the developer will undertake further public consultation through the planning application process, in accordance with the Statement of Community Involvement.

8. Asset Management Implications

- 8.1 The current Sailing School building is an operational facility and has not been declared surplus but is in need of significant repair. The Dee Lane car park has not been declared surplus.
- 8.2 The proposed development opportunity would involve the Council offering up the site on a long lease arrangement to be agreed with the Developer, with the Council retaining the freehold interest. The Council managed elements of the development i.e. the Sailing School would be leased back to the Council on a pepper corn rent.

9. Financial implications

- 9.1 The project would be financed entirely through private sector investment, with the new Sailing School being provided for within the value of the scheme and at no cost to the Council.
- 9.2 On completion of the land transaction, the Developer would be responsible for maintaining the site with an annual service charge payable by the Council for maintenance in connection with the Sailing School.
- 9.3 Disposal of the Dee Lane car park would result in loss of car parking revenue of approximately £28,000 per annum to the Council. This would be reported to Members in due course when an adjustment to Technical Services budget will be requested.

10. Staffing implications

- 10.1 There are no staffing implications. Liaison in relation to this project is provided by the Special Initiatives Team and Investment Strategy Team within the Corporate Services Department.

11. Equal Opportunities Implications

- 11.1 The provision of new, improved public facilities will bring about equal opportunities benefits in terms of access.
- 11.2 The current, free blue badge-holder parking provision at Dee Lane is likely to be affected by these proposals, although detailed discussions have yet to be held to determine whether and how such impact can be mitigated.

12. Community Safety Implications

- 12.1 Implementation of the project will result in Community Safety improvements with the increases in foot fall and general activity at the junction between Dee Lane and South Parade during evening time.
- 12.2 If the project is supported and goes through to a full planning application, the Police Architectural Liaison Officers will be engaged to ensure the principles of 'secure by design' are incorporated into the design detail.

13. Local Agenda 21 implications.

13.1 Implementation of the project proposals will result in major environmental improvements and a high quality sustainable development. Any final development proposal will need to satisfy an environmental impact assessment (including Habitats Regulations Assessment and Flood Risk Assessment if appropriate) and take on board the views of all relevant consultees including Natural England.

13.2 The proposal is an important element of the regeneration of the Borough.

14. Planning Implications

14.1 Proposals identified within the report will require planning permission and will be reported upon as and when they come forward. The proposals are in conformity with Regional Spatial Strategy Policy RDF3 in their support for improving the image of coastal resorts to attract inward investment and tourism, and Policy LCR4 in terms of consistency with regeneration programmes and policies.

14.2 The site of the existing sailing school is within the Developed Coastal Zone in the Council's adopted Unitary Development Plan (UDP) and adjacent to the Dee Estuary Site of Special Scientific Interest, which is also a Special Protection Area of International Importance. Redevelopment of the Sailing School is in principle appropriate, subject to UDP Policy CO1. The site of the Dee Lane car park to the East of The Parade is within the West Kirby Key Town Centre. Development of the hotel at Dee Lane is therefore in principle appropriate as a town centre use.

14.3 In due course, Carpenter Investments will be required to pursue further relevant consultation through the planning process in line with standard planning guidance and procedures.

15. Anti-poverty implications

15.1 There are no anti-poverty implications.

16. Social inclusion implications

16.1 There are no social inclusion implications.

17. Local Member Support Implications

17.1 This report is of particular importance to Members in Hoylake and West Kirby and Thurstaston wards.

18. Background Papers

18.1 Background papers in relation to this report are held by the Special Initiatives Team in the Corporate Services Department.

19. Recommendations

19.1 Members are requested to consider their continued support for the scheme in the light of the revised design proposals put forward by Carpenter Investments.

19.2 Subject to Members approving the scheme in its revised format, Officers prepare a report on the financial package being put forward by Carpenter Investments for the next meeting of Cabinet on 9th April.

J. WILKIE

Deputy Chief Executive/Director of Corporate Services

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