

ECONOMIC DEVELOPMENT & CULTURE COMMITTEE

Agenda Item 11

Brighton & Hove City Council

Subject:	Peter Pan leisure site, Madeira Drive - Development proposal		
Date of Meeting:	21st June 2012		
Report of:	Strategic Director Communities		
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Ward(s) affected:	East Brighton		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To seek approval to grant Landlord's consent, subject to final determination of Heads of Terms by Policy Resources Committee, for the Brighton Bathing Pavilion development on the former Peter Pan site on Madeira Drive.
- 1.2 This report details the process that officers have undertaken to market this site for redevelopment and selection process which has resulted in the preferred developer being chosen.

2. RECOMMENDATIONS:

- 2.1 That the Economic Development & Culture Committee agree to grant Landlord's consent for the Brighton Bathing Pavilion development on the former Peter Pan site on Madeira Drive.
- 2.2 That officers negotiate Heads of Terms for the required Agreement to Lease and Lease to be approved by Policy & Resources Committee.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The site on Madeira Drive to the west of Yellowwave, formerly known as the Peter Pan Amusement Park, has been vacant for several years. In September last year the site was marketed nationally by agents Oakley Commercial on behalf of BHCC. An advertisement was placed in the Estates Gazette and a site brochure was produced (see appendix 1). The brief was for a leisure development opportunity and 10 applications were received.
- 3.2 A panel comprised of officers from Seafront, Tourism, Estates and Planning along with the agents assessed the applications using a scoring matrix to determine the strongest proposals. The assessment revealed that 2 of the proposals closely matched the criteria and scored significantly higher than the remaining applications. These 2 proposals were therefore shortlisted for interview.
- 3.3 Presentations were made to an interview panel of Strategic Director for Communities, Seafront Development Manager, Seafront Estates Surveyor and Marketing Manager - Visit Brighton and representatives from Oakley Commercial Agents.
- 3.4 The proposal called the 'Brighton Bathing Pavilion' presented by the Karma Royal Group was chosen by the panel as the preferred development. The scheme is modelled on a spa resort and comprises 5 pavilions; an indoor/outdoor Children's Club, a year round Spa and Health Centre, a Beach Club and restaurant, an outdoor swim and bathing area and a member's club with library (see appendix 2, 3 & 4).
- 3.5 Of the 5 zones featured in the scheme, 4 of these, the Children's Club, Spa and Health Centre, Beach Club and restaurant and outdoor swimming pool will be available to all members of the public. The 5th zone, the Member's club, will only be available to users who hold a membership with the Karma Royal Group. The proposal would provide a year round, high quality, inclusive and family friendly facility which officers consider would compliment existing uses within the area.

The developer, The Karma Royal Group, is internationally renowned, owning and operating award winning resorts and spas across the world. The Brighton Bathing Pavilion will be their first venture in the UK and the proposal is for a new iconic attraction for local people and tourists in Brighton & Hove.

- 3.6 The Brighton Bathing Pavilion is an exciting and unique development opportunity which will provide a high quality and sustainable attraction for the seafront. The emerging Seafront Strategy identifies Madeira Drive as a key area of the seafront in need of regeneration. Building on the success of the Seafront Development Initiative between the two piers the council's vision is to establish Madeira Drive as an all year round leisure destination for residents and visitors alike. Existing businesses on Madeira Drive already present an assortment of leisure opportunities for a variety of different user groups. Examples include Yellowwave for active young people; Peter Pans playground providing free family play facilities and Concorde II live music venue providing nighttime entertainment for young adults. The addition of the Brighton Bathing Pavilion to the seafront portfolio will not only provide a new public attraction and directly enhance the site but it will perfectly complement the existing uses adding to the overall offer on Madeira Drive.

- 3.7 The Brighton Bathing Pavilion would not only provide a unique and attractive facility for residents of Brighton & Hove but the concept also meets latent visitor demand. The scheme would deliver much needed enhancement of the built environment as well as significant employment and training opportunities.

The project would support approximately 300 new jobs and The Karma Royal Group envisage working alongside educational institutions such as City College and University of Brighton to deliver vocational training opportunities and work placements.

- 3.8 The proposal builds upon the traditions of the city from 250 years ago and the practices of the celebrated Dr Richard Russell. His recognition and promotion of the health giving properties of water and of the seaside are credited as being responsible for the transformation of the village of Brighthelmstone to become the town and eventually the city we now know. The concept of this proposal is truly bespoke to Brighton bringing the heritage of sea bathing back to where it all began, yet delivering a contemporary and international flavour to reflect the unique essence of the city today.
- 3.9 The building design will seek the highest aspirations of a Zero-Carbon footprint. Energy systems will embrace the site's unique characteristics to harness renewable energy generation. On site energy production may involve solar-electric (photovoltaic), solar-thermal, bio-mass and CHP, geo-thermal and air-source-heat recovery in addition to a super-insulated building fabric. Designed with a sustainable ethos the building will maximise solar gain and natural ventilation. The baths are 'naturally aspirated' buildings using durable and high-quality materials from local sustainable sources. Carbon-off-setting for in-direct energy-consumption will be considered and where relevant 'Re-Forestation' schemes and investment into positive-energy production will be offered. Construction will embrace the potential for training and look to benefit local suppliers and craftsman as much as practicable.
- 3.10 The development site is currently an enclosed hardstanding which is located to the north of the Volks Railway line and has remained vacant for many years. The proposal seeks to use the whole of the existing site to the fence line. Crossing points over the railway line connecting the beach to Madeira drive will be maintained. Therefore there will be no changes to public beach access as a result of the development.
- 3.11 The project is fully funded through private investment and does not require support from either the banking sector or the council. The level of investment from the developer will be approximately £5 million. As a result of the development of this vacant site and the creation of direct and indirect employment the annual economic impact of this scheme is considered to be in the region of £10 million.
- 3.12 Officers will negotiate the Terms for a Lease to provide a substantial rental income acknowledging the major investment in the site proposed by the developer. It is envisaged that an Agreement for Lease will detail the full extent of the works to be carried out by the developer. Officers will seek to finalise Heads of Terms as quickly as possible and seek approval thereto by Policy & Resources Committee.

- 3.13 The developer intends to undertake a public consultation exercise this summer utilising the site for marketing and promotional activities.
- 3.14 Planning permission will be sought by the developer following Landlord's consent and public consultation.
- 3.15 It is envisaged that subject to all permissions being granted the developer could commence building on site early in 2013.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 At a Scrutiny Committee workshop to discuss the Seafront Strategy all Members were in agreement that the focus going forward should be on the regeneration of Madeira Drive and in particular the vacant Peter Pans site.
- 4.2 A representative from the Local Planning Authority took part in the shortlisting of the applications.
- 4.3 A pre-application meeting has been held between the Planning team and the developer architects and the initial responses to the design have been favourable.
- 4.4 Officers within the Tourism and Visit Brighton teams welcome this attraction and consider it meets a latent visitor demand.
- 4.5 The developer intends to undertake a public consultation exercise this summer utilising the site for marketing and promotional activities.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The financial implications will be determined by the negotiations on the Heads of Terms which will need to be based on a sound business case and ensure that best consideration is met whilst addressing the key points as detailed in 5.2.1. below.

Finance Officer Consulted: Michelle Herrington: 21/05/12

Legal Implications:

- 5.2 The proposal will require considerable investment and the developer has suggested leasing arrangements and a rent holiday will need to reflect this. However there has been no negotiation on the Heads of Terms and the council must satisfy the requirements of best consideration under s123 Local Government Act 1972. Key points which need to be agreed include the following:

General terms of the Agreement for Lease and the Lease
Extent of design control/input by the council
When the lease gets granted – before or after practical completion?

Premium and rent arrangements
Period of the lease

- 5.2,2 When the proposed Heads of Terms have been agreed it is proposed that they be approved by Policy & Resources Committee.

Lawyer Consulted: Bob Bruce: 21.05.12

Equalities Implications:

- 5.3 The facilities will be designed to be DDA compliant. Pricing-to-suit-means and memberships will ensure that the proposal is open to all and seen as a local resource for local people.

Sustainability Implications:

- 5.4 The building design seeks the highest standards of sustainability. Energy systems will embrace the unique characteristics of its seafront location to harness renewable energy generation optimising sustainable productions.

Crime & Disorder Implications:

- 5.5 The facility will be open all year round and into the evening therefore providing additional controlled activity and security in a currently underutilised area of the seafront.

Risk and Opportunity Management Implications:

- 5.6 Two developers were interviewed and both proposals were strong in terms of their leisure use and compatibility with the brief. However, the panel felt that the Brighton Bathing Pavilion proposal was the stronger of the two on financial, architectural and reputational grounds. Existing businesses within Madeira Drive will benefit from the new investment and increased footfall.

Public Health Implications:

- 5.7 This proposal will provide a facility where local residents can undertake exercise and promote wellbeing in a high quality, relaxing environment.

Corporate / Citywide Implications:

- 5.8 This proposal will provide employment and training opportunities for local residents and will act as a catalyst for the regeneration of Madeira Drive which has been identified as one of the key elements of the emerging Seafront Strategy.

SUPPORTING DOCUMENTATION

Appendices:

1. Peter Pan site brochure

2. Brighton Bathing Pavilion UK Presentation
3. Brighton Bathing Pavilion Presentation (version 6) by Liam Russell Architects
4. Brighton Bathing Pavilion Addendum (version 1)

Documents in Members' Rooms

1. Brighton Bathing Pavilion Presentation (version 6) by Liam Russell Architects

Background Documents

- 1.