

North Yorkshire Council

Scarborough and Whitby Area Constituency Committee

Friday 9 June 2023

DEVELOPMENT OF FORMER INDOOR SWIMMING POOL SITE, SCARBOROUGH

Report of the Corporate Director Nic Harne

1.0 PURPOSE OF REPORT

1.1 To inform Scarborough & Whitby Area Committee of proposals for NYC to facilitate development of the former indoor Swimming Pool site, Ryndale Crescent, Scarborough, for high-quality hotel provision that provides economic growth and complements the delivery of the wider North Bay Masterplan

and;

1.2 To obtain any feedback on the proposals prior to taking a report to the Councils Executive seeking authority to progress development of the site.

2.0 SUMMARY

2.1 In July 2022 and following extensive stakeholder and public consultation, Scarborough Borough Council adopted a new masterplan for the development of Scarborough's North Bay area which included aspirations for the development of additional high-quality hotel provision.

2.2 During the same period the Borough Council received an approach from a local hotel operator and developer, to purchase a site within the North Bay area (former Indoor Swimming Pool site Ryndale Crescent, Scarborough) for the development of a 4* plus hotel.

2.3 Disposal of the site was approved by Scarborough Borough Council on 26 July 2022 and subsequently referred to NYCC for their consideration. Unfortunately, at this juncture the developer withdrew their interest. However, whilst this sale did not proceed, interest in the site remains high, and the need for additional high quality hotel provision in Scarborough remains a key economic growth objective.

3.0 BACKGROUND

The North Bay Masterplan

3.1 In July 2022, and following significant stakeholder and public consultation, a new masterplan for the development of Scarborough's North Bay was adopted by Scarborough Borough Council as the regeneration blueprint for the area. The masterplan builds on the previous development initiatives undertaken in the North

Bay with a renewed drive on enhancing and capitalising upon the unique natural history, heritage and family focussed appeal of this area of Scarborough. In summary the masterplan proposes investment in three key areas:

- i. To enhance and improve infrastructure provision at the Open Air Theatre.
- ii. The creation of new visitor attractions within the area, based on all-weather family leisure, adventure sports and health activity.
- iii. The provision of new and distinctive accommodation ranging from self-catered camping pods to serviced lodges and a new high-quality hotel offering (4 star plus)

3.2 Whilst the main focus of the masterplan was to determine uses for the former 'Sands' development area the brief included a requirement to give consideration of possible future uses and the integration of adjacent sites and connecting infrastructure. Specifically this included the complementary site of the former indoor swimming pool (demolished in the summer of 2022 and measuring circa 2.4 acres) as the location for a high quality hotel development.



3.3 The site is located directly adjacent to the main North Bay development area and is a key gateway to all the North Bay has to offer. Importantly hotel development on this site will act to support those developments proposed within the wider masterplan area i.e. the Open Air theatre, family leisure holidays etc.

3.4 The need for more high-quality accommodation within Scarborough is further supported by the Visitor Economy Strategy 2021-2035 which identified it as essential for Scarborough to provide an even greater range of good value and high-quality

accommodation in order to attract more staying visitors, extend the tourism season and continue recovery and growth of the borough's tourism economy.

- 3.5 In the summer 2022 Scarborough Borough Council were approached by developers HQ Hotels who wished to purchase the site of the former Indoor Swimming Pool by way of direct sale and deliver a high quality hotel with associated car park provision. The proposals consisted of a £15m, 4star+,100 room hotel and associated parking provision.
- 3.6 Whilst the scheme did not proceed the economic benefits assessed as being derived from the scheme at the time included:
- Private sector investment levered of circa £15m
 - 120fte equivalent jobs created with living wage salaries and opportunities for hospitality career development, qualifications and training.
 - 70,000 additional overnight stays per annum accommodated within the town
 - Circa £3.4m per annum of additional visitor spend within the local economy
- 3.7 There remains significant interest in the site for the purposes of high quality hotel development and the strategic and economic benefits are still relevant and achievable and delivery of the North Bay masterplan and the elements therein remain a key strategic focus for the future growth and prosperity of the town. The provision of high-quality hotel is intrinsic to realising the overall objectives of the masterplan and with the LGR transition now complete it is proposed that NYC maintain this momentum and facilitate progression of the development.

4.0 PROPOSALS FOR PROGRESSING THE SCHEME

- 4.1 Officers in conjunction with the senior management team have considered options for the progression of disposal of the site and delivery of the resulting hotel including:
- Direct sale
 - Open market sale
 - Development agreement/Collaboration Agreement
 - Joint venture – including the option of retaining the site as part of a wider development package for the North Bay masterplan area
- 4.2 In order to progress the scheme with greatest expediency whilst ensuring the development market has had opportunity to consider the site; and importantly to demonstrate best value for the Council it is proposed the site be brought to the market via an open market competitive tender process to identify a development partner which will enable us to meet the Councils specific requirements.
- 4.3 This option offers a transparent land transaction achieved through an open market process. Whilst the development agreement process requires greater input and resource it enables the Local Authority to specify the detail of what it wants to achieve through the partnership, for example the type / standard of hotel it wants, any requirements around skills and training and even the sustainability credentials of the building. The specification within the development agreement will of course influence the overall development appraisal and the level of capital receipt payable for the land.

Car parking provision

- 4.4 The site proposed for development is currently the location of circa 137 public pay and display car parking spaces. During peak periods i.e. during summer holidays and when there are events and performances within the town this parking is often at or near capacity. Provision may need to be made to offset any loss of public parking as a result of this proposal.
- 4.5 In the short to medium term it is possible that a portion of the current overspill car park, located on the grassed area to the west of the site be “grass-creted” and pay meters installed. The costs of this intervention have yet to be assessed in full but would likely be met from the capital receipt received for the development land.
- 4.6 In the medium term the North Bay Masterplan proposes the creation of circa 700 additional multi-storey parking spaces in support of the development area located at Northstead Manor Gardens Car Park and upon part of the former Atlantis Waterpark site. This “first phase” of development at the former indoor pool site will help to add momentum to delivery of these ambitions.

Conclusion and next steps

- 4.7 There is a clear strategic need for a new high-quality hotel in Scarborough and the site of the former Indoor Swimming Pool was identified as suitable for this in the North Bay Masterplan. Expedient delivery of the scheme will provide direct economic benefits through job creation, hospitality sector diversification and growth, and additional spend within the economy whilst concurrently adding a tangible track record and momentum to delivery of the wider Masterplan.
- 4.8 In order to progress the scheme and subject to the comments of the Area Committee, officers from the Council’s Procurement, Legal, Estates, Project Management, Regeneration & Finance services will now undertake the following actions over the coming months:
- Development of detailed procurement strategy
 - Establish an outline development specification
 - Undertake soft market testing
 - Obtain approval of the procurement assurance board as to proposed approach
 - Executive approval to procure development partner in line with the above
 - Market the site
 - Select development partner
 - Obtain authority to and enter into development agreement
 - Development partner to secure planning consent
 - Commence development

5.0 FINANCIAL IMPLICATIONS

- 5.1 The full financial implications of the scheme will only be known once tenders have been received and development agreements are in place, however the proposed development would attract business rates. Whilst a definitive assessment of business rates cannot be made prior to completion of a development, comparable operations within the area attract business rates payable of circa £130k pa. Based on current

business rate collection regimes this would result in circa £50k pa being apportioned to the Council.

- 5.2 Car Parking: Net car parking income for the existing car park is circa £76kpa. It is intended that any loss of this income will be offset by additional car parking income generated from improvement to the existing overflow car park, surrounding Council owned car parks and the additional business rates income derived from the completed Hotel Development.

6.0 LEGAL IMPLICATIONS

- 6.1 The Council's legal and commercial / estates services will oversee development of the site in accordance with all relevant legislation and the provisions of the proposed development agreement.
- 6.2 The site has a notice registered against its title; this will be dealt with in parallel with the procurement process.

7.0 EQUALITIES IMPLICATIONS

- 7.1 There are no direct equality and diversity implications arising from this decision.

8.0 CLIMATE CHANGE IMPLICATIONS

- 8.1 The Council will include its aspirations for development which contributes to carbon reduction within the sales particulars and resulting Land sale agreement.

9.0 REASONS FOR RECOMMENDATIONS

- 9.1 Subject to any further input from the Scarborough & Whitby Area Committee, officers will now progress to take a report to the Council's Executive recommending the method for development of the site by way of competitive tender to procure a development partner in line with principles described within this report.

RECOMMENDATION(S)

10.0

- i) the Scarborough & Whitby Area Committee endorse the proposed approach to development of the site of the former indoor swimming pool Ryndale Crescent, Scarborough for the purposes of a high quality Hotel Development.

BACKGROUND DOCUMENTS: None

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(Insert date)

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.