

Taunton, the South West's
first Garden Town

Taunton 

Firepool Hotel

Business consultation 'Q & A' information – Autumn 2018

In April 2018, the Council announced its intention to invest in a new hotel at Firepool. In this Q&A leaflet you can find out more about the project, the reasons for it and the benefits it is expected to bring. You can also learn about the wider commercial approach the council is taking and how the proposed hotel investment is part of that.

Below is the link to the Full Council report:

<http://bit.ly/CouncilReportFirepool>

We want to hear your views about the points raised in this leaflet to help us shape our approach to the hotel project and other commercial ventures that the Council may develop in the future.

Please visit the consultation page on the TDBC website to complete the on-line feedback survey. <https://www.tauntondeane.gov.uk/consultations/>

Why is the Council proposing to build this hotel?

We are very ambitious for the Borough and the proposed hotel is a key part of our plans for the regeneration of Taunton and the Firepool site in particular - please see:

<https://www.investtaunton.co.uk/the-vision/>

This kind of internationally renowned hotel will be a huge asset, encouraging far more visitors and associated spend into the local economy and creating around 70 jobs for local people.

In addition to investing in vital regeneration, the Council, like all of local government, has to respond to challenges in funding. In 2010 the Council received £8.7m in core grant to fund local services. By 2019 this funding will have reduced to an estimated £2.6m – a reduction of £5.1m per year. We have made significant efficiency savings during this time, but also need to look for new ways to increase our income to fund important local services and investment in future.

We would like your views on the proposal - please visit the on-line consultation survey



Artist's impression of Firepool development
– view along river's edge

Why has this site been chosen?

A hotel has long been part of the planned mixed use development of the Firepool site. Experts in the field tell us there is not enough hotel provision in the Borough.

Taunton's strength is its location and first-rate transport connections. Firepool is close to the station, M5 links and local attractions.

How does this relate to the wider plans for Taunton town centre?

This is very much part of the regeneration proposals that are making progress. Taunton Railway Station will be modernised, the proposals for Coal Orchard's redevelopment have detailed planning consent, we are working with Somerset County Council to improve our public space, Taunton Transport Strategy is out for consultation, and we continue to grow our Garden Town ambitions and will be consulting further in the autumn.

How does this fit with the wider Firepool scheme?

A hotel will play an important role in the wider development of Firepool, contributing to a successful scheme and a thriving town centre. We are at a crucial point in the Firepool journey. We have outline planning consent for a mixed use scheme. Following the departure of St Modwen as the Council's development partner, we will take the opportunity to reflect and listen to different ideas coming forward locally in shaping and developing this important town centre site. An hotel has always featured in the proposed mix of uses at Firepool and this is also consistent with the Council's adopted local plan.

How much will it cost? And will the Council get its money back?

The costs are commercially sensitive so we cannot publish the figures. Our councillors have seen the full business case and agreed the proposal after rigorous scrutiny and due diligence. The business case shows a solid return on the investment for the council – and – importantly, local tax payers. We would not undertake this venture without that reassurance. Prudent estimates indicate the investment will generate several £ million in income for the Council – funding that can serve to protect community services and fund investment in important local priorities.

The Council will own the hotel and hold all rights to the asset on Firepool, retaining long term value for tax payers. The hotel would also form an important element of the further site development – part of the bigger regeneration picture.

We would like your views on the principle of the Council making this sort of investment - please visit the on-line consultation survey

Is there a demand for a new hotel in Taunton?

Taunton has a number of excellent hotels suited to a range of needs and budgets. We do not expect that to change. However, research suggests there is demand for additional, modern, mid-range accommodation. The branded hotel market in Taunton is trading close to capacity Monday to Thursday, supported by strong demand Friday and Saturday, indicating significant unsatisfied demand. This is further supported by the quick absorption of new rooms entering the market over recent years.

How can you know whether this will be successful?

Our research, backed up by a rigorous procurement process, has found solid demand for a modern, mid-range hotel in Taunton. There has been strong interest from operators and brands to take on the project, indicating a strong belief in the Taunton hotel market. The council has succeeded in securing a global hotel brand for the site, as well as an experienced regional hotel operator for the project.

Have we taken soundings locally? What's the feeling among businesses and other hotels?

Independent hotel and leisure experts talked to a number of local businesses on the council's behalf as part of the feasibility study. They reviewed the project site, assessed the local hotel market, gathered information relating to the local economy, tourism industry and demand generators, and analysed key performance indicators for the market.

They concluded Taunton town centre needs additional modern quality hotel accommodation that reflects current market standards and guest expectations, to cater for business and leisure visitors.

What's the timescale?

At present we are working towards the hotel being opened and operating by the summer of 2021.

If it is going to make money why isn't a private operator investing its own money?

The current economic climate makes it easier for us to borrow and we receive a good return on investments such as this, but there is a huge opportunity here and we are in a position to seize it by kick starting the project ourselves. It will also generate valuable income to support services that our residents value and deserve at a time when councils have to find new ways of raising funds.

Artists impression of new development at Coal Orchard with the refurbished Brewhouse Theatre.



And what happens if the hotel isn't a success?

Of course, every investment carries a degree of risk, but we see a huge opportunity to bring far reaching benefits to the area. And this plan is founded on a solid business case backed by industry experts. There is clearly a demand which is growing.

Are other councils investing in hotels and developments?

Yes – councils in Stockton-on-Tees, Aberdeen, Sevenoaks and Middlesborough, are examples where local authorities have invested directly in hotels. Nationally, councils are investing in developments to regenerate their areas, or to generate much-needed income. Some, like Taunton Deane, are investing for both these reasons.

We would like your ideas about how the council can develop new sources of income to maintain community services - please visit the on-line consultation survey

How does this fit with the council's approach to commercial development?

It's a strong fit – we are looking to invest where there's a strong business case to do so in common with other local authorities. This helps the local economy and provides a new stream of income for crucial community services now that Government funding is being phased out.

Will the recent announcement that St Modwen will no longer be the Council's development partner for the Firepool scheme affect the hotel proposal?

No. The hotel proposal has been led solely by the Council from the start and the business case and delivery plan is not affected.

The YMCA is developing Great Western House by the railway station - would this affect the Firepool proposal?

The regeneration of this important listed building will complement the council's hotel proposal. It will provide 15 boutique-style hotel rooms on the first floor. The ground and basement floors will provide collaboration and start-up space for new businesses, conference/meeting rooms and a café. The venue will be run as a social enterprise, backed by significant external funding and a commercial loan from TDBC. It will create jobs, traineeships and volunteering opportunities. The development will also form an important part of the railway station improvements due to get under way next year.

We would like your views on the principle of the council offering commercial loans to enable development - please visit the on-line consultation survey



Issued by Taunton Deane Borough Council
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