

CABINET MEMBER DECISION RECORD TEMPLATE

This form should be used to record Executive decisions taken by Cabinet Members

Decision Ref. No:

Responsible Officer:

Sarah Longthorpe, Programme Manager, Inward Investment

Subject:

Durley Chine Catering Re-development

Decision taken:

To agree the revised financial terms and authorise officers to enter into a 25 year lease agreement with Rob Shearman T/A Chineside Catering Limited to operate a new cafe and restaurant facility at Durley Chine, Bournemouth seafront.

Reasons for the decision:

The original heads of terms for this private sector design, build and operate scheme were approved in a Cabinet Member Decision dated 9th May 2012.

The tenant completed the design phase, gained a planning consent and tendered the construction works, however due to him encountering unforeseen health problems this scheme has stalled.

The rental offer has been increased to reflect the Council funding and completing the construction of the scheme.

Call-in and Urgency:

This decision is subject to the Council's normal call in procedures.

Background:

In November 2011 the Council open market tendered a concession for the design and build of a new catering establishment incorporating a new beach office and public conveniences at Durley Chine and the grant of an operational 25 year lease.

Following a competitive process, Mr Rob Shearman was selected as the successful tenderer. The capital investment of the proposed scheme is £750k plus £150k for fit out.

Portfolio Holder approval was granted on 9th May 2012, agreeing the financial offer and heads of terms on which the legal documents were produced. The Council undertook a Disposal of Public Open Space in September 2012. The Cooper Dean Estate has granted their consent in principle to this scheme.

Mr Shearman achieved planning consent for the scheme in May 2013.

Mr Shearman suffered a heart attack in April 2013 and as a result his development plans were put on hold.

It is proposed that the Council fund and complete this development scheme utilising Inward Investment Programme funds and grant a 25 year operational lease to Mr Shearman on completion.

The allocation of Inward Investment funding was approved by Cabinet on 16th October 2013 as part of the initial programme.

The original tendered rent offer based on the operating funding, designing and building the scheme was;

Year 1 £20k, Year 2 25k, Year 3 £35k, Year 4 £45k, Year 5 £50k then subject to open market rent reviews.

The proposed rent offer for a 25 year lease, to be granted on completion of the scheme is now £105k pa or 15% of gross turnover whichever is greater plus RPI every 5 years.

This reflects a current market rent for the site and the increased level of risk to the Council in respect of funding and building the scheme.

A 'Special Exemption' has been granted to enable Mr Shearman's architectural design team and construction contractor to novate across to the Council in order to progress this development within a very short timeframe and to avoid duplication and mitigate the additional design and risk costs associated with using a new architect.

Options - and reasons for rejection:

- 1- Do nothing - This would not facilitate redevelopment or progress the Seafront Strategy priorities and would result in a limited catering offer and income generation from this site.
- 2- Tender the redevelopment opportunity - The scheme has been progressed to an advanced stage and a planning consent gained, officers have sought a special exemption from the requirement to tender for alternative contractors and operator in order to progress the development within the Autumn/Winter 2014/15 period and complete for summer 2015.

Consultations undertaken:

1. The original tender evaluation group consisted of a representative from the Cooper Dean Estate, Portfolio Holder for Tourism, Leisure & Culture, Service Director - Tourism & Corporate Communications, Seafront, Property and Urban Design Officers, The Ward members were advised of the process and selected operator.
2. Property Services - A detailed valuation has been undertaken which confirms the proposed rent level demonstrates best value. The rent has been significantly increased from the original tender rent offer and is set at a higher market rate than similar seafront lettings such as West Beach and Urban Reef.
3. Procurement - A Special Exemption was approved on 24th April 2014 by the Head of Strategic Procurement and Head of Audit & Management Assurance to progress the project on this basis.

Finance/Resource Implications:

SEE ATTACHED

- *Inward Investment Initial Programme funding of £900k has been allocated to this project. The rent receipts fulfils the yield repayment obligation and generates a surplus for the Inward Investment Initial Programme over the 45 year term.*

Name:

[Redacted]

Signature: (of Chief Finance Officer)

Date:

1/7/14

Legal implications:

THE DECISION IS IN COMPLIANCE WITH THE COUNCIL'S CONSTITUTIONAL REQUIREMENTS AND

- ~~Include comments of Monitoring Officer~~ THE COUNCIL'S LAWFUL POWERS.
LEGAL ADVICE WILL CONTINUE TO BE PROVIDED ON THE PROPOSALS AND FINAL LEGAL DOCUMENTATION.

Name: TANYA COLLIER

[Redacted] Signature: (of Monitoring Officer)

Date: 4/1/14

Risk assessment:
An initial risk assessment has categorised this project as HIGH due to its value in excess of £501k. A comprehensive risk assessment has been completed for the Strategic Partnering Understanding with Legal & General for the financing of the Inward Investment Initial Programme.
Name: Sarah Longthorpe Signature: (of Officer completing assessment)
Date: 7/7/14

Impact Assessments:
The new premises will be accessible and compliant with Building Regulations (Part M) and will include new Public Convenience facilities and a Beach Office centrally located in Durley Chine.

Information for/not for publication:
• For publication

Background papers:

Any conflict of interest declared by a Cabinet Member who is consulted by the Member taking the decision	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer
Yes/No*			

Decision taken by:
Councillor John Beesley (Print name)
Cabinet Portfolio Resources
Signed: [Signature Box] Date of decision: 7.7.14.
Date of publication of record of decision: (to be inserted by Democratic Services)
11-07-2014
Date decision effective - that is 5 working days after the date of publication of the record of decision unless the decision is called-in for consideration by the relevant Overview and Scrutiny Panel:
18-07-2014
-insert date-



G2 Initial Risk Assessment

PROJECT NAME:

Durley Chine Catering Redevelopment

PROJECT NUMBER: *To be obtained from PMO*

PROJECT RISK LEVEL:

HIGH *

Table 1 - Suggested criteria on which to score the type of project (please tick appropriate category)

CRITERIA				Score
1) Duration of Project	0-6 months <input type="radio"/>	7-12 months <input checked="" type="radio"/>	Above 1 year <input type="radio"/>	3
2) Effort	1-4 people (FTE) <input checked="" type="radio"/>	5-10 people (FTE) <input type="radio"/>	11+ people (FTE) <input type="radio"/>	1
3) Business Impact	Service Unit/Service <input checked="" type="radio"/>	More than 1 SU <input type="radio"/>	Council/External <input type="radio"/>	3
4) Priority	Desirable <input type="radio"/>	Highly Desirable <input checked="" type="radio"/>	Essential <input type="radio"/>	3
5) Costs &/or Savings	Up to £250k <input type="radio"/>	£251k-£500k <input type="radio"/>	Over £501k or if project is to be funded through prudential borrowing <input checked="" type="radio"/>	28
6) Risk Impact	Low Impact - Minor service disruption/inconvenience, minor injury, small financial loss, isolated service user complaint. <input type="radio"/>	Medium Impact - Service disruption, More serious injury or financial loss, adverse media coverage, numerous service user complaints <input checked="" type="radio"/>	High Impact - Significant or total service disruption, major disabling injury or fatality, high or catastrophic financial loss, adverse national media coverage, ministerial intervention in service running. <input type="radio"/>	5
				Risk Score
				43

A numerical rating is applied to each cell (see Table 1) For example a 'Priority' of 'Highly Desirable' is worth 3 points and a 'Cost' of '£501-£1m' is worth 5 points. Totalling the points scored for each 'criteria' gives a project score. This score is then mapped against a project-risk status in Table 1 below:

Table 1 - Risk Status	
Project Risk Rating	Points Total
Low	Between 10-18
Medium	Between 19-35
High	36+

Equality Impact Needs Assessment

The Diversity Promise - *Making it Happen!*

Title of Policy/Service/Project	Durley Chine Catering Redevelopment
Service Unit	Strategic Finance
Senior Responsible Officer & Job Title	Liz Wilkinson
Lead Responsible Officer and Job Title	Sarah Longthorpe
Members of the Assessment Team: Please indicate for each person if they are an employee, partner or customer.	Sarah Longthorpe
Start Date of assessment: End Date of Assessment (this should be before the date of decision):	8 th May 2014

About the Policy/Service/Project:

Which of the Council's Equality Objectives does this project support?

Equality for All: <http://www.bournemouth.gov.uk/CouncilDemocracy/EqualityDiversity/Equality-for-All.pdf>

Redevelopment/New

This project will create a new catering and retail offer, public conveniences and beach office at Durley Chine which responds directly to current demands for high quality food and fully accessible services which will encourage people to visit the seafront and stay longer.

List the main people, or groups of people, that this project will benefit?

Residents and visitors to Bournemouth Seafront

Detail how will they benefit below;

- The redevelopment supports the delivery of the Seafront Strategy.
- Improved service quality by redeveloping the site to include new indoor accessible catering & retail facilities to enable longer operational hours throughout the year, the existing offer is take-away only.
- Bespoke design, use of high quality materials which will give a boost to Bournemouth as a destination resort.
- The redevelopment will include new accessible public conveniences at a more central location nearer the entrance to Durley Chine and the car park/accessible parking bays. The existing public conveniences are approx 200m from the car park.
- The redevelopment will include a new Beach office at a more central location nearer the entrance to Durley Chine and the car park/accessible parking bays. The existing beach office is approx 200m from the car park.
- To encourage more residents and visitors to use the site.

Please detail below how this policy/service/impact on any other organisation and their customers.

The Council will grant an operational lease for the catering/retail premises to a third party.

Consultation, Monitoring and Research

Where there is still insufficient information to properly assess the policy, appropriate and proportionate measures will be needed to fill the data gaps. Examples include one-off studies or surveys, or holding informal consultation exercises to supplement the available statistical and qualitative data.

If there is insufficient time before the implementation of the policy to inform the EINA, specific action points will be need to be clearly set out in the action plan. Steps must include monitoring arrangements which measure the actual impact and a date for a policy review.

Consultation:

Please list those who have been consulted with in development / design of this project provide a summary of the results below ?

Internal BBC staff including;

- Urban Planning officers
- Property Officers
- Ward Members
- Portfolio Holder
- Service Director Tourism
- Procurement

External;

- The Cooper Dean Estate
- The existing operator
- Seafront Major Assets Plan 2012-2015
- Seafront Visitor Survey 2013.
- Seafront Strategy consultation with stakeholders

Please provide a summary of the findings from these consultations below.

The latest Seafront Visitor's Survey identified the requirement for additional Catering facilities and improved Public conveniences along the Seafront.

The Seafront Major assets plan identified this site at Durley Chine for redevelopment with a preference for improved catering/retail and new centrally located public convenience and beach office facilities.

Monitoring and Research:

What data, research and other evidence or information have you used to inform your decision making? Detail all sources below.

Previous data collected from the licence and operation of the existing catering kiosk which has been in this location for a number of years.

Data from the latest Seafront Visitors Survey.

Data from the Seafront Strategy consultation with stakeholders.

Is there any service user/employee monitoring data available and relevant to this policy/service/project? What does it show in relation to equality groups?

Do you have enough information to make a decision? Yes

Assessing the Impact

Which of the following protected characteristics would actually or potentially benefit or be disadvantaged as the result of this policy as evidenced above?

	Actual or potential benefit	Actual or potential negative outcome
Age	Improved catering/retail/public conveniences/beach officer services that will be available to all customers offering extended opening hours throughout the year.	Potential discrimination carried out by the operator.
Disability	Catering/retail premises will be accessible to all with level access from the promenade. A lift will be installed providing access to the first floor. Beach office counters designed to be easily accessible by all. Public Conveniences will be accessible. Location nearer the entrance to Durley Chine and car park accessible parking bays.	Potential discrimination carried out by the operator
Gender		Potential discrimination carried out by the operator
Gender reassignment		Potential discrimination carried out by the operator
Pregnancy and Maternity		Potential discrimination carried out by the operator

	Actual or potential benefit	Actual or potential negative outcome
Marriage and Civil Partnership		Potential discrimination carried out by the operator
Race		Potential discrimination carried out by the operator
Religion or Belief		Potential discrimination carried out by the operator
Sexual Orientation		Potential discrimination carried out by the operator
Any other factor/ groups e.g. socio-economic status/carers etc	<p>A well managed facility will benefit the users of Bournemouth Seafront and improve the overall visitor experience.</p> <p>Restricted income groups.</p> <p>Use of locally sourced food or fair trade where possible.</p>	<p>The facilities need to cater for all visitor profiles whilst still being economic to run.</p> <p>The cost of products should not be so expensive to be restrictive to some groups.</p>
Human Rights		Potential discrimination carried out by the operator

STOP - Any policy which shows actual or potential discrimination.

Reason for Decision?

As per action plan.

Action Plan

Review date: Sept 2015

Monitored by: Seafront Services, Contracts & Commercial Manager

Reporting to: Chris Saunders

Date Actions transferred to Service Equality Action Plan?:

Brief Summary of Issue(s) identified	Specific action required to mitigate, lesson or remove issues identified	Measurable Outcomes	Responsible officer	Due Date
Age - appropriate service offered to all age ranges	The lease will obligate the operator to run the facility in a correct and proper manner providing a range of service options/choices.	Monitored via customer satisfaction surveys and complaints.	Sarah Longthorpe	Sept 2015 - ongoing
Disability - lack of access for those with restricted mobility/wheel chair users.	Catering & Retail premises designed to comply with Building Regulations Part M. Counters will be easily accessible. Level access from promenade to premises/ or drop kerbs installed/hazard warning paving and visibility inserts to steps. Lift to First Floor. Accessible new public conveniences. Beach office & Public conveniences relocated nearer the entrance/ car park/accessible parking bays.	Customer satisfaction surveys and complaints.	Sarah Longthorpe	Sept 2015

Gender/Race/Sexual orientation/Transgender - potential discrimination by new operator	The lease will require the operator to comply with the Council's Equality & Diversity policy or have a robust policy of their own to ensure that there is no discriminatory practice	Customer satisfaction surveys and complaints.	Sarah Longthorpe	Sept 2015
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Date this EINA sent to the Equality and Diversity Team: 8th May 2014

Equalitiesanddiversity@bournemouth.gov.uk