

CABINET MEMBER DECISION RECORD TEMPLATE

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

Decision Ref. No:
Responsible Officer: Sam Munnings, Estates Manager
Subject: Rent Review and surrender and re-grant of lease at Hot Rocks Restaurant, Pier Approach
<p>Decision taken:</p> <ol style="list-style-type: none"> 1. To agree a revised rent for Hot Rocks in the sum of [£80,000] with effect from 21st November 2017. 2. To approve the surrender of the existing lease of Hot Rocks and the re-grant of a new 10year lease at an initial rent of [£80,000]
<p>Reasons for the decision: The rent review is a contractual requirement of the existing lease. The grant of a new lease will allow the tenant to invest in improvements to the Hot Rocks Restaurant, contributing to the Council's priority to build a world class seafront, and will provide increased income that can be used to help fund seafront services.</p>
<p>Call-in and Urgency: The decision is subject to the Council's call in procedures</p>
<p>Background: The existing Hot Rocks lease was granted on 21st November 1997 for a period of 25 years. The lease comes to an end in 2022. Under the terms of this lease, the rent was due for review on 21st November 2017. Following prolonged negotiations with the tenant, it is proposed that the rent is increased from [£80,000], which represents the market rental value at the review date.</p> <p>The tenant has indicated that he would like to invest in improvements to the property but the short term left on the lease does not allow for return on his investment. Therefore, he has requested a new lease of 10 years, extending their occupation until 2028. It is proposed that this is granted at an initial rent of [£80,000] per annum, with an RPI increase in on the 5th anniversary. In return for the new lease the tenant has agreed to fund the improvements to the property, which include:</p> <ul style="list-style-type: none"> - Replace temporary external storage unit with permanent extension at rear of building. - Replace all external block paving to front elevation and terrace with ornate granite slabs and to renew surface of the public realm at the rear of premises. - Install high quality electronically operated, heated and illuminated umbrella systems for all weather usage.

- Replace the ground floor fixed windows on the front elevation with folding systems.

Works are to be completed within twelve months from the commencement of the new lease.

Options - and reasons for rejection:

- 1) Not to agree the rent review and to refer this for 3rd party determination under the terms of the lease. The provisionally agreed revised rent represents the market value of the premises taking into account the lease terms and third party determination is unlikely to result in a higher rent but is likely to result in additional cost.
- 2) Not agree to a surrender and re-grant of the lease. This would mean that the existing lease would come to an end in November 2022, allowing this building to be re-marketed, either to attract a new operator or to progress redevelopment opportunities at that time. However, this would require a decision in 2020/21 and with Local Government Reorganisation in 2019, the new Bournemouth, Christchurch and Poole Council is unlikely to be in a position to make an informed decision on the redevelopment options. A new 10-year lease will allow more time to consider the future of this site as part of a wider seafront strategy. In the shorter term, not granting a new lease would mean that the tenant would be unable to invest in improvements to enhance the appearance of this property within the newly completed Pier Approach improvements and the Council would forego an increase in rental income.

Consultations undertaken:

None

Finance/Resource Implications: Both the rent review and the surrender and re-grant will result in additional income for the Council. The Head of Property advises that the sums agreed represent *Best Value* for the Council.

Name: ADAM RICHENS **Signature:** (of Chief Finance Officer)

Date: 12/9/18

Legal implications: The Council will enter into a new lease for the property on similar terms to the existing lease save for the length of term and rent payable. This lease will also include a licence to carry out the works, providing an element of control over the improvements to the building's structure and the timings, standards and methods to be employed.

Legal Services will be involved in preparing the necessary legal documentation.

Name: TANYA COULTER **Signature:** (of Monitoring Officer)

Date: 18/09/18

Risk assessment: A risk assessment has been completed for the project and this identifies the project as being medium risk.

There is risk that the proposed works will not be completed by the tenant. However, the lease will make provision for this.

Name: Sam Munnings **Signature:**

Date: 9th August 2018

Impact Assessments: The environmental impact assessment has been completed and this shows that impacts from this decision are balanced. There will inevitably be an increase in the consumption of resources due to the investment. However, there will be a positive impact from improvement in seafront facilities which contribute to safe and supportive environments. The EINA screening has resulted in a neutral outcome.

Information for/not for publication: The decision is for publication subject to redaction of commercially sensitive data.

Background papers:
None

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
No			

Decision taken by:

Councillor Pat Oakley, Cabinet Member for Tourism, Leisure and the Arts

Signed:

Date of decision:

11/10/18

Councillor Philip Broadhead, Cabinet Member for Local Government

Reorganisation & Economic Growth

Signed:

Date of decision:

4.10.18

Date of publication of record of decision: (to be inserted by Democratic Services)

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:

Insert Date

Environment Impact Checklist for all Cabinet Reports

Issue: Cafe Riva - Supplemental Lease
 Meeting Date: n/a - Cabinet Member Decision
 Accountable Manager: Gary Platt
 Impact Assessor: Sam Munnings

Key	
+	Balance of positive Impacts
?	Balanced or unclear impacts
-	Balance of negative impacts
n/a	Not applicable

Impact Criteria	Impact	Comments
Natural resources impact on use of natural resources - for example energy, water, raw materials	-	The proposed works will use natural resources, but the design is such that it will improve the efficiency and reduce energy use.
Quality of environment contribution to safe and supportive environments for living, recreation and working	+	The proposed works will provide an improved catering facility for residents and visitors. This will contribute to the economic and social wellbeing of the area. The increase in rental income will assist in funding further improvement works to the surrounding area.
Bio-diversity protects and improves wildlife and habitats	n/a	
Waste and pollution effects on air, land and water from waste and emissions	?	There will be no increase in waste or pollution as a result of the proposed works.

<p>Council Priority and Objectives for Improving our Environment:</p> <ul style="list-style-type: none"> • Reduce traffic congestion • Improve streetscene • Improve recycling & energy management • Respond to climate change • Improve quality of existing space 	+	<p>The proposed works will improve the streetscene and quality of the existing space. The increase in rental income will assist in funding further improvement works to the surrounding area.</p>
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Please complete and save your checklist, and email a copy to Roxanne King, Environment Strategy & Sustainability Officer @ Roxanne.king@bournemouth.gov.uk

If you would like help in completing this checklist or would like to request a change, again contact Roxanne King by email or call on 01202 451144.

Equality Impact Needs Assessment

The Diversity Promise - *Better for all*



1. Title of Policy/Service/Project	Hot Rocks Restaurant
2. Service Unit	Housing and Communities - Property Services
3. Lead Responsible Officer and Job Title	Sam Munnings, Estates Manager
4. Members of the Assessment Team:	Sam Munnings
5. Date assessment started:	August 2018
6. Date assessment completed:	9 th August 2018

About the Policy/Service/Project:

7. What type of policy/service/project is this? (delete as appropriate)	Rent Review and surrender and re-grant of lease at Hot Rocks Restaurant, Pier Approach
8. What are the aims/objectives of the policy/service/project? (please include here all expected outcomes)	The project will enhance an existing catering facility and provide an increased rental income to the Council
9. Are there any associated services, policies or procedures?	Yes
If 'Yes', please list below: Seafront Strategy	

10. List the main people, or groups of people, that this policy/service/project is designed to benefit and any other stakeholders involved?

Residents and Visitors to the Pier Approach area of Bournemouth

11. Will this policy/service/impact on any other organisation, statutory, voluntary or community and their clients/service users?

No. The Council will grant a new lease to the existing tenant of the restaurant

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:

12. What involvement/consultation has been done in relation to this (or a similar) policy/service/project and what are the results?

Internal BBC staff including;

- Seafront Services

External;

- The existing operator

13. If you have not carried out any consultation, or if you need to carry out further consultation, who will you be consulting with and by what methods?

Monitoring and Research:

14. What data, research and other evidence or information is available which is relevant to this EINA?

Research into market rents in the area.

15. 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?

N/A

16. If there is a lack of information, what further information do you need to carry out the assessment and how are you going to gather this?

Assessing the Impact

	Actual or potential positive benefit	Actual or potential negative outcome
17. Age	Improved catering facility that will be available to all visitors	Potential discrimination carried out by the operator.

	Actual or potential positive benefit	Actual or potential negative outcome
18. Disability	Improved premises will provide improved accessibility and visitor experience.	Potential discrimination carried out by the operator
19. Gender		Potential discrimination carried out by the operator
20. Gender reassignment		Potential discrimination carried out by the operator
21. Pregnancy and Maternity		Potential discrimination carried out by the operator
22. Marriage and Civil Partnership		Potential discrimination carried out by the operator
23. Race		Potential discrimination carried out by the operator
24. Religion or Belief		Potential discrimination carried out by the operator
25. Sexual Orientation		Potential discrimination carried out by the operator
26. Any other factor/ groups e.g. socio-economic status/carers etc		Potential discrimination carried out by the operator

	Actual or potential positive benefit	Actual or potential negative outcome
27. Human Rights		Potential discrimination carried out by the operator

Stop - Any policy which shows actual or potential unlawful discrimination must be stopped, removed or changed.

28. If impacts have been identified include in the action plan what will be done to reduce these impacts, this could include a range of options from making adjustments to the policy to stopping and removing the policy altogether. If no change is to be made, explain your decision:

Action Plan

Include:

- What has/will be done to reduce the negative impacts on groups as identified above.
- Detail of positive impacts and outcomes
- The arrangements for monitoring the actual impact of the policy/service/project

29. Issue identified	Action required to reduce impact	Timescale	Responsible officer	Which Business Plan does this action link to e.g. Service Equality Action Plan/Team Plan

Gender/Race/Sexual orientation/Age/Transgender - potential discrimination by operator	Monitoring via customer satisfaction surveys and complaints to ensure no discriminatory practice	On going	Noel Oliver	
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Date this EINA sent to the Equality and Diversity Team:

Equalitiesanddiversity@bournemouth.gov.uk

G2 Initial Risk Assessment



PROJECT NAME:

Rent Review and surrender and re-grant of lease at Hot Rocks Restaurant, Pier Approach

PROJECT NUMBER: *To be obtained from PMO*

PROJECT RISK LEVEL:

MEDIUM *

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 checked="" type="radio"/>	Highly Desirable <input type="radio"/>	Essential <input type="radio"/>	1	
5) Costs &/or Savings	Up to £250k <input type="radio"/>	£251k-£500k <input checked="" type="radio"/>	Over £501k or if project is to be funded through prudential borrowing <input type="radio"/>	15	
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	28

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+