

Agenda Item 24

Cabinet

05 October 2011

11/1116



The Strand, Exmouth

Exempt Information

Para 3 Schedule 12A information relating to the finance or business affairs of any particular person

Summary

Further to the report considered by the Council at its meeting of 09 February 2011, there have been further developments in relation to the Strand enhancement work and there are a number of issues that now require consideration by the Cabinet. Principally these involve:

1. The construction of a multipurpose pavilion.
2. The future cleansing and maintenance of the Strand area

Recommendation

It is recommended that

- i) **Members endorse the submission by Devon County Council of a revised multipurpose pavilion building for the Strand.**
- ii) **Members agree to the purchase of a Hako sweeper/washer/scrubber and the additional associated running costs as detailed in the report to enhance street cleansing capability to the Strand public realm**
- iii) **Discussions are pursued with Devon County Council to explore a shared outlay on the costs of maintenance and cleaning of the Strand public space**
- iv) **A management and licensing regime is encouraged that promotes The Strand as a lively public space for the enjoyment of Exmouth's residents and visitors and for the commercial benefit of our businesses.**

a) Reasons for Recommendation

The reasons for the recommendation are set out in the main body of the report.

b) Alternative Options

- Don't build anything on the Strand. Find other uses for the funds
- Build a performance space and shelter but not a retail unit
- Use funds to build a cafe/retail unit elsewhere? Manor Gardens? Generated income could still be applied to the Strand.
- Attempt to clean and maintain public realm with existing Streetscene resources

c) Risk Considerations

There are risk issues associated with cost and reputation.

There has been a degree of controversy (organised opposition and exasperated support) for the retail element of the planned multipurpose building. If we change our mind with regards the multipurpose building at this stage, we risk losing credibility in the eyes of both our partners (in particular Devon County Council), and also the public. If we can't complete this scheme, surely the question will be asked as to how we expect to deliver the projects set out in the Masterplan.

Particular issues raised in the report relate to the visible quality of surfacing, street furniture, planting etc. Having invested the up front capital to create a high quality public space, there is a risk that if we now don't implement a high quality maintenance regime, the public will not treat the area with respect.

d) Policy and Budgetary Considerations

The Strand redevelopment delivers against our Corporate Priority of an outstanding environment in terms of the public realm improvements it brings to Exmouth. Safe, clean and green outcomes result from the investment in the Strand and its maintenance as a traffic free, tree lined, public amenity space. The 'clean' aspect is one that can be improved and is a matter for resolution in this report.

Additional benefits are accruing to the Strand redevelopment in terms of economic returns through increased footfall and trading.

The Strand enhancement project is being undertaken in partnership with Devon County Council. Devon County have committed £2 million to the scheme and the District Council, £1 million. The project cost to date (as at 22 August 2011) is £2.2m. In terms of the overall capital commitment made by the two councils, this leaves a remainder of £800,000 which is currently designated for use in the design and construction of a multipurpose building at the Rolle Street side of the site.

Positive Impact Overall

Thriving Economy.
Safe Environment.
Clean Environment.

e) Date for Review of Decision

Not applicable

1.0 Background

1.1 Further to the report to the Executive Board on 09 February 2011, complications have arisen which have delayed the finalisation of a trilateral agreement between the Council, Devon County Council and Exmouth Town Council. Principally these relate to:

- Rethinking of and controversy around the proposal for a multi-purpose space on the Strand to provide retail space as well as a performance stage, shelter and storage
- Cleaning and maintenance requirements incurring capital and revenue costs not budgeted for in the project.



1.2 Members are now asked to consider actions proposed to enable the completion of the Strand Enhancement works and the necessary cleaning and maintenance regime to sustain the quality of the public space

1.3 The enhancement works so far completed have, in the main, been considered a great success with a great deal of positive feedback from residents and local businesses. The Strand was particularly brought to life during the Festival. It is now a well used space and a pleasant environment in which to relax and socialise.

1.4 The specific outstanding matters for member consideration are explored in detail below.

2.0 Strand Pavilion

2.1 The final stage of The Strand enhancement works is the construction of a multi-purpose building adjacent to Rolle Street. This will include a bus shelter, performance area and small retail unit.

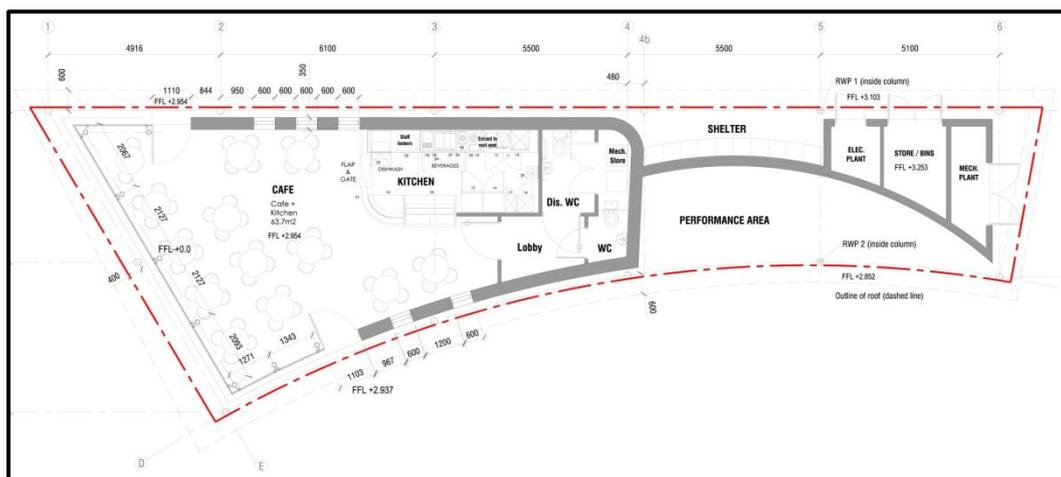
2.2 Devon County Council submitted an application (11/0180/FUL) for a building on 26 January 2011 and planning permission was granted on 11 March 2011. Local concerns regarding the mass and scale of the building have been addressed with new designs drawn up by the architects.

2.3 The revised building will still provide the bus shelter and the performance area along with a smaller retail unit to further animate the site and support the cost of maintaining the community elements of the building. As recommended in the report to Members in February, after maintenance and management costs of the building, it is proposed that any surplus revenue income is placed in a joint sinking fund with Devon County Council to assist with repairs and replacement of items within the Strand such as the space lighting and litter bins. ¹



¹ See Draft tri-lateral heads of agreement at Appendix 1

- 2.4 The revised scheme has reduced the height of the building by 1.5 metres and has reduced the overall build cost with alterations such as taking out the building management system, increased area of wall as opposed to glass, an LED lighting system and single rather than double doors. The two heat source air pumps have been retained, but these are expensive and could be reduced to the provision of just one.
- 2.5 Construction costs are now estimated to be £375,000 - £400,000 for a shell and £500,000 for a fully fitted out building. The retail element will, in planning terms, seek Use Classes Order A3 (restaurants & cafes), which will then permit change to A1 (shops) or A2 (financial and professional services). This would cover planning use as a visitor and tourist information centre.



Ground Floor Plan: Revised Scheme

- 2.6 Members will be aware that there was concern raised by a few of the existing traders in the Strand around the potential threat of increased competition. Other existing traders have taken a different view and have welcomed the further investment into Exmouth and the opportunity for competition to drive up quality.
- 2.7 The instructed agent has confirmed that the rental level for the retail unit shown in the revised scheme is likely to be in the region of between £10,000 - £15,000. As part of a due diligence exercise, a report from Fleurets was commissioned and this advice has been endorsed.
- 2.8 The materials proposed for the building will require a maintenance programme. It is anticipated that the cost of maintenance and repair will be met by the rental income on the retail unit.
- 2.9 It would be anticipated that the tenant of the retail unit would contribute towards the structural/external repair and maintenance of the building. The tenant would be responsible for the internal maintenance and repair of the unit, and also a contribution towards buildings insurance.
- 2.10 The existing trader most anxious about the potential of increased competition to their business has submitted a request to the Town Council that a referendum be held in relation to various issues around the building. The Town Council has rejected the request.

2.11 The Exmouth Regeneration Board has seen the revised building proposals and is apprised of issues relating to the cleaning and maintenance of the Strand. The Board considered the various issues in June 2011 and recommended support for the investment in a multipurpose building and the associated revised planning application.

2.12 An alternative option exists that would involve construction of a bus shelter and performance area but no retail space within the allocated site. This option would deflect criticism of competitive retail but would not deliver any revenue income to support the building maintenance cost.

3.0 Street cleaning, Cleansing and Maintenance of Street Furniture

3.1 The new public space is well used by both passers-by and customers of the numerous cafes and bars around the Strand. The usage of the space has revealed a number of challenges in terms of cleaning and maintenance that need to be addressed.

3.2 **Paving** – much of the area in The Strand that was previously tarmac has now been paved. The paving is of a high quality stone which has been treated by the Contractor with a surface dressing to prevent penetration of the stones surface. However, in a relatively short space of time, it has become apparent that the area not only requires regular sweeping as was previously undertaken prior to the enhancement works but now requires regular washing to prevent and remove staining to the paving.

Streetscene have investigated the various options available to keep the paving in this area and surrounding areas in a condition that will remain both attractive to the user and an asset to the town.

The most cost effective of these is to purchase and operate on a daily basis a sweeper/washer/scrubber machine.



The cost of this plus labour is:

- Hako sweeper/washer/scrubber machine - £67, 930 with a recommended life of 5 years. Purchase would be upfront, but there is a lease hire option if capital money was not available. Optional sand & snow brush - £5,000 (not included in total below)

- Fuel p.a. based on Green machine small sweeper usage - **£7,000**
- General servicing, repairs, materials, tyres, insurance & road fund p.a. - **£9,400**
- Brushes (£350 per set, manufacturer recommends 40-80hrs life) p.a. - **£5,000**

Total per annum - £21,400
+£67,930

Capital purchase

- 1 staff member at grade 2 + on costs - **£19,500**

Grand Total - £40900 p.a.

- An alternative to capital purchase of the machine would be lease hire. This would cost £24,960 per annum (plus staff costs, fuel & tyres/brushes – total = £56,660. Capital purchase p.a. cost p.a. over 5 years is £54,486, capital cost of machine spread over 5 years for comparison only).

3.3 **Seating** - The timber on the seating will require regular oiling as it is prone to bleaching in the sun. There may also be a future argument for retro-fitting the seating in defence against BMX and skateboard abuse. The situation will be monitored.

3.4 Meeting Cleaning and Maintenance Costs

3.4.1 In so far as the capital budget for the multipurpose building will have a surplus, the capital cost of the cleaning machine can be met. There may also be opportunity to capitalise some of the running cost of this asset. However, a proportion of cleaning and maintenance costs are, arguably, the responsibility of the County Council on the basis that:

1. The new space encompasses highways, which are the responsibility of County to maintain, in so far as it has the duty as the local Highway Authority and; the responsibility of County to clean and maintain and;
2. County and District have so far met the capital cost of the project (a total capital budget of £3 million) on a 2/3 – 1/3 basis.

3.4.2 Shared responsibility has been the subject of discussion with County but without resolution to date. Street Cleansing is a function of District Councils and there is no precedent for County Councils contributing towards its cost. However, neither party had anticipated the extent to the increased cleansing burden of the paving materials used.

4.0 Other Strand Issues

4.1 The investment in a multipurpose building and the equipment for effective cleaning remain the priority issues to address, not least because they involve significant cost and remain outstanding matters to ensure the effectiveness of the £3m already committed to the Strand.

4.2 There are a number of other issues to be resolved to further the Strand's success and, while not appropriate subjects for discussion by the Council's Cabinet, are detailed at Appendix 2. To further secure the effective use of the new public space

and the performance facility we will need to secure a licensing regime that maximises usage in terms of entertainment, trading, community and business benefit. The Strand has the potential to be the place that links seafront and town by drawing holiday makers and visitors into the centre with a range of attractions and events.

4.3 The Strand also offers the link between estuary and town centre at a time when the District Council and partners are looking to promote future development through initiatives such as the Masterplan projects and a Business Improvement District.

4.4 It is vital that we complete the investment in the Strand, secure its future and exploit it as an asset for local residents and visitors to enjoy and to support the commercial success of the business community.

Legal Implications

The full terms of all documentation to be agreed upon between the legal and surveying teams. No further comments of a legal nature to be made as a result of the report.

Financial Implications

Of the £1.0mill in the capital programme budget for this project, there is £282,560 remaining unspent.

Consultation on Reports to the Executive

Background Papers

- The Strand Enhancement, Exmouth – Cabinet Report 09 02 2011

Appendices

- Draft Head of Terms on Strand Improvement Works
- Other Strand Issues

Cabinet

05 October 2011

Donna Best
Principal Estates Surveyor

Richard Cohen
Deputy Chief Executive

Andrew Hancock Ext Streetscene Manager (Acting)

Simon Smale
Head of Environment

Brian Kohl
Property Services Manager

John Tippin
Licensing Manager

Mark Pollard
Parks Development Officer

Partner Contributions

John Wokersien
Town Clerk
Exmouth Town Council

Mark Dauncey
Project Manager
Devon County Council

Mike Bird
Asset Management Group Manager
Devon County Council