

Agenda Item 20

Cabinet

4 April 2012

12/1221



Exempt Information

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

Seaton Regeneration – Seaton Jurassic Coast Discovery Centre

Summary

Following a resolution made by Cabinet in July 2011, the marketing of the Visitor Centre to seek a suitable operator has now taken place. Through a short listing process and interview stages an operator that meets the criteria of both funding partners, the Council and Devon County Council, has been found: the Devon Wildlife Trust.

Whilst trying to secure a suitable operator the Estates & Economic team have been working on finalising the costs of construction of the building. The latest costings for the current planned building have increased due to inflation and additional items, such as a new car park access, and the sustainability elements required by the Planning Authority. Due to the increase this report sets out the suggested next steps to ensure the Centre can be delivered without either funding partner committing to further monetary input.

Recommendation

- 1. To note project development progress, the completion of the selection process and the increased cost projection of £188,000 on the current project design**
- 2. To agree to work with Devon Wildlife Trust, as preferred provider, for a set period to develop a solution to enable the delivery of the Discovery Centre in the light of latest cost variance.**

a) Reasons for Recommendation

To take forward a long standing local ambition, fulfil the Regeneration agenda for Seaton and provide the town with an attractive, nature based attraction for visitors and residents.

b) Alternative Options

Not to build the Discovery Centre and to redeploy the allocated budget.

c) Risk Considerations

In reputation terms, there is an expectation from the Council's partners, including the County Council, Seaton Town Council, Jurassic Coast Partnership and the Seaton

Visitor Centre Trust, that the District will enable the provision of a visitor centre for the town.

Financially, we have a latest cost estimate that suggests that the current project plan will exceed its allocated budget of £2.3m by £188,000. Either additional funds will need to be found or the project redesigned to stay within existing budget ceiling. There is a risk that the new cost scenario will not be resolved.

d) Policy and Budgetary Considerations

Policy and budgetary considerations are considered within the main body of the report

e) Date for Review of Decision

A review date will be set at a point 6 months after reaching agreement with DWT to develop an implementation plan for the project.

1.0 Seaton Jurassic Coast Discovery Centre

- 1.1 A detailed update on the Visitor Centre was provided to Cabinet at its meeting held on 13 July 2011 and an extract from that report is attached at Appendix 1.
- 1.2 The marketing exercise has been robust and professional to ensure maximum exposure amongst a range of potential occupiers. However, the Council did only receive three Expressions of Interest and two of those organisations attended an interview.
- 1.3 Through a thorough evaluation and interview process involving District, County and independent advisory expertise Devon Wildlife Trust were felt to be the best operator. The other bidder has been informed that they were not successful. DWT was selected for the role for a variety of reasons including;
 - Experience in operating Nature based visitor attractions
 - Nationwide network of partner Wildlife Trusts
 - Provision of good quality attraction that fits with the Council's and community aspirations
 - Sustainable and attractive cafe/retail areas
 - Willingness to work with the community/volunteers
 - Provision of a robust business plan that shows a sustainable operation for many years to come.
- 1.4 The proposal is for a long lease that provides for payment of an annual rent premium. In recognition of the significant set up costs involved for Devon Wildlife Trust a rent free period has been suggested from the point of occupation. It is also proposed that an Agreement to Lease will be signed initially between the parties providing commitment on both sides whilst the construction of the building is carried out.
- 1.5 The updated budget costings for the construction of the new building are £2,518,000. The funding for this project has been facilitated by £500,000 from Devon County Council, £1,830,000 from Section 106 monies received from Tesco Stores Ltd. Considerable officer and member time has been

expended over a two year period and the current estimated shortfall for the construction of the building is £188,000. DWT are aware of the financial situation, wish to explore how it can be resolved and remain enthusiastic to deliver and manage the Discovery Centre.

- 1.6** Ward Williams has been employed over the past year to assist the Council with quantity surveying services and pre-construction project management consultancy. The company has detailed knowledge of the project and has proven ability in construction project management. Natural Histories is a consultancy practice that specialises in the development of nature and heritage based visitor attractions and has worked closely with the Council with regard to the internal design and development of the Centre.

2.0 Next Steps

2.1 Neither Devon County Council nor the District is able to provide extra funding to this project and this has been made known to Devon Wildlife Trust. This in effect means that there is either:

- A requirement to redesign the building or changes to the fit out to match the existing budget or;
- Extra external funding is found from such sources as the Heritage Lottery Fund or the Coastal Communities Fund.

2.2 In recognition of the time and resources that will be required from The Council and the Devon Wildlife Trust to possibly revisit the design, fit out and public realm we are suggesting that a sum of up to £20,000 is made available from the pre-construction fund already in place for the continuation of the project. In effect Devon Wildlife Trust will be commissioned as preferred deliverer to review the project and either it delivers a redesigned project within budget or secures additional funds to fill the gap. It is proposed that a fixed period of time is set aside to do this, thereby keeping moving and engaging the provider in the planning and design process. Our initial aim is that this period should not exceed 6 months.

2.3 DWT presented a proposition and a business plan that stood up to scrutiny. They have offered a mix of educational and attractive content married to a cafe/restaurant and shop that looks viable. They will also accommodate the Tourist Information Centre. As part of the development and operation of the Discovery Centre DWT understand the importance of working in partnership with local organisations including the Tram Company, Wetlands Team, Town Council, Chamber of Commerce and the Seaton Visitor Centre Trust.

Bearing in mind that additional cost has been identified and, whilst we are optimistic that a revised and viable funding solution can be found, members should be aware that there is the possibility that the project might not be able to go ahead despite DWT and partners' best efforts. If that situation starts to look likely then Members will be informed at the earliest opportunity.

Legal Implications

It is understood that an agreement for lease followed by a lease is the proposed means of setting up this project with Devon Wildlife Trust. Given the range of one off projects the Council is facilitating at present, and the vacant posts in the legal team, it is likely that external solicitors will need to be included in the range of consultants working on this project. Financial provision will need to be made for this if the vacant posts have not been filled by the time the work needs to be done.

Financial Implications

The financial details are contained in the report. Against the capital budget for this project to date £63,000 has already been incurred and Finance has been assured that this has been taken into account in the calculations detailed in the report.

A £20,000 supplementary estimate is being requested. This can be funded from the remainder of separate monies received for pre-development costs. £24,000 remains available in this fund after the deduction of £20,000. The £1.830m referred to in the report is a capital receipt received by the Council.

Consultation on Reports to the Executive

Appendices Attached

Appendix 1 – Extract from Seaton Regeneration Update Report to Cabinet 13 July 2011

04 April 2011

Richard Cohen
Deputy Chief Executive