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Jurassic Coast Discovery Centre

Heads of Terms – October 2012



1. Background

These heads of terms have been prepared with a view to agreeing a contract between the parties regarding the construction and operation of the Jurassic Coast Discovery Centre at Seaton.

The Jurassic Coast Discovery Centre (the Centre) is a regionally, possibly nationally significant project, based in the town of Seaton in East Devon and linking to the Jurassic Coast World Heritage Site. The Centre is at the hub of the Natural Seaton project, which aims to link together the best heritage assets of the locality and make them physically and intellectually accessible to the visiting public. The Natural Seaton project is part of a wider plan to regenerate the coastal town of Seaton.

The Centre, and the Natural Seaton project of which it is a part, has been ten years in the making. It is recognised that a great deal of effort and both social and political capital has been invested over this time. The proposals set out in these heads of terms are sensitive to this history.

2. The parties

These heads of terms have been drawn up between: -

- a) East Devon District Council (EDDC): the owner; and
- b) Devon Wildlife Trust (DWT): the operator.

A separate legal agreement will be drawn up between East Devon District Council and Devon County Council.

Any proposal to extend or modify the scope of either party, or of any company or vehicle established to run the Centre, will be subject to the agreement of both parties.

3. Intentions of the parties

Both parties enter this agreement with the intention to: -

- construct a high quality visitor facility (the Centre), including outdoor space, focusing on the Jurassic Coast and associated natural heritage;
- secure the support and involvement of the local community;
- run the Centre as a commercial operation – but not at the expense of the heritage and educational aims of the centre;
- run the Centre in a spirit of partnership, linking to Axe Estuary Wetlands and neighbouring facilities.

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In addition, EDDC will wish to: -

- secure a reasonable financial return from the Centre and avoid ongoing financial liability;
- ensure the Centre helps to regenerate the economy of Seaton.

In addition, DWT will wish to: -

- establish a clear and visible presence, promote its brand and recruit members;
- further its mission in education and awareness raising.

4. The principal features of the project

The aspiration of the parties is for the Centre to sit within a landscape that includes: -

- vehicular access and car parking;
- an entrance zone that faces, and may be shared by, the Seaton Tramway;
- external landscaped grounds, accommodating access to the Centre;
- cycle routes and cycle hire facilities;
- outdoor enclosed area to the north of the Centre (open to paying visitors);
- recreational areas and green space, including a skate board park, open to non paying visitors;
- Axe Estuary Wetlands, including existing nature reserve and areas that will come into EDDC ownership in the next two years;
- notable natural features in the vicinity, including the Seaton beach, the Axmouth to Lyme Regis Undercliff and Seaton Hole.

The project will proceed on the basis of a master plan agreed between the parties and relevant authorities.

The Centre itself will be divided into a number of zones. The names, layout and space requirements of each zone will be finalised at the point of submission for planning permission, but the core elements will be: -

- a) Welcome zone: an entrance area, signposting and information;
- b) Refreshment and retail zones: café/restaurant and shop
- c) Discovery zone: enclosed interpretation space for paying visitors
- d) Activity zone: a covered outdoor space directly linked to the Centre, also part of the paid for experience.

The Centre will also accommodate space for back office and support functions.

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5. Phasing the development

The project will proceed in a number of distinct phases as set out below. The fourth phase is aspirational and is not covered in any detail in these heads of terms.

Phase	Narrative	Timeline	Output
Phase 1a	Development	To Stage 1 HLF submission (February 2013)	A fully developed concept
Phase 1b	Development	To Stage 2 HLF decision (June 2014)	Funds secured and permissions in place
Phase 2	Construction	Until Centre opening (Spring 2015)	A completed building, car park and associated facilities
Phase 3	Operation	From Centre opening onwards	An ongoing, commercially viable operation
Phase 4	Expansion	Likely to be three to five years from initial opening, subject to funding	An enhanced external space, with covered area and linking the Centre to the Axe wetlands

6. Phase 1

EDDC will be the “owner” of the project, with leadership delegated to an independent facilitator. DWT will have the status of “preferred bidder” until these heads of terms are signed, after which it will be referred to as the Operator.

Key outputs for this phase will be: -

- Funding contributions and project costs will be finalised;
- Design concepts finalised: the work will be led by an interpretation group, and funds will be made available to appropriate professionals;
- Audience development work complete: as above
- Planning and associated permissions in place: to be led by EDDC or its agents;
- An HLF application submitted. The bid is likely to include the costs of the approach outdoor enclosed space, and a contribution towards interpretation within the centre. The lead party for the bid will be EDDC (unless otherwise agreed between the parties);
- Heads of terms will be agreed between DWT and EDDC.

The services of the Independent Facilitator, Construction Project Manager, Architect, Landscape Architect and Interpretative Design Consultant will be retained, with DWT

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playing a key role in coordination and fundraising. Development costs of circa £60,000 have been identified; these to be covered by funds from EDDC and DCC and in-kind support from the parties.

7. Phase 2

Key outputs for this phase will be: -

- completed Centre, surrounding landscape and access facilities;
- first stage of the covered outdoor space completed;
- associated signage and interpretation installed;
- operational staff for the Centre in place.

The parties will agree the most appropriate way to lead this phase in order to ensure a coordinated approach. One body will retain overall responsibility for all elements of the project build. Four options have been discussed: -

- a) Option 1: EDDC is the accountable body, with DWT effectively contracted to lead the project;
- b) Option 2: DWT is the accountable body: funds for build would need to transfer to DWT;
- c) Option 3: Special Purpose Vehicle established, with representation from EDDC, DWT and other key stakeholders, to act as accountable body (or Project team approach);
- d) Option 4: Partnership approach: in this option DWT would be responsible for writing the specification for contractors. Contractors would be selected by the Construction Project Manager (acting on behalf of EDDC) with DWT, and contracts would be between the contractors and EDDC.

HLF has expressed a strong preference for the owner of the asset (EDDC) to be the accountable body, in which case, option 1 is likely to be the most appropriate. A Client's Project Manager will be appointed to lead this phase, reporting to the accountable body.

8. Phase 3

DWT will be the lead organisation.

The parties will agree the most appropriate business relationship. This is most likely to involve EDDC retaining ownership with full repairing lease to DWT under the 1954 Landlord & Tenant Act. It will involve a long term lease (at least 25 years) with a rolling five year break clause. The nature of the lease agreement will need to take on board the requirements of funders such as the HLF.

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The agreement will ensure protection of funds raised by DWT in the event of unreasonable termination of the lease.

There will be automatic rollover of the lease (i.e. presumed right of renewal on expiry).

9. Project costs and funding for phases 1 and 2

All anticipated costs and funding sources will be set out and agreed between the parties.

Cost	£	Funding source	£
Professional and other	350,000	Predevelopment Funds	54,000
Construction and building	1,735,000	EDDC land receipts	1,866,000
Café and shop	80,000	DCC	500,000
Internal interpretation	400,000	HLF	500,000
External interpretation	400,000	Other sources	315,000
Contingency	270,000		
Total	3,235,000		3,235,000

Professional fees include the costs of project coordination and advancing the designs. They do not include start up costs for the Centre post construction, nor do they include the costs of subsequent building phases (see below).

Funds of £2.745 million are secured for the project. As of October 2012 potential funders for a further £250,000 have been identified and approached. EDDC and DWT will make efforts to raise the funds necessary to close the remaining gap, in association with Devon County Council and project partners. If the funds are not raised, the project will be scaled back so that the total costs are within the secured budget.

10. Costs and funding for Phases 3 and 4

Phase 3: a comprehensive business plan has been drawn up by DWT for the ongoing operation of the Centre, setting out sources of income and expenditure and anticipated surpluses/deficits. The business plan will be updated and agreed between the parties as part of Phase 1.

Phase 4: costs and funding for any future expansion or development of the Centre and surrounding landscape will be agreed between the parties as appropriate.

11. Permitted operations

DWT may wish to carry out any or all of the following activities at the Centre and in the surrounding enclosed space: -

- Café/restaurant;
- Retail;

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- Events and activities relating to wildlife and natural heritage;
 - Conferences, weddings and events of a commercial nature;
 - Cycling, canoeing and active outdoor commercial activities.

In carrying out the above, DWT will wish to secure relevant licences, including those required to hold weddings, sell alcohol and serve food.

12. Rental

The parties will agree a business model that is based on rent linked to financial performance (i.e. % of operating surplus). The parties will agree the basis on which any financial surplus is shared and also on how the financial surplus to be shared is calculated. The spirit of such an agreement will take into account: -

- the understanding that this is a joint project and that both parties should have an incentive to make it work financially;
- EDDC's requirement to avoid an ongoing financial commitment to the Centre;
- DWT's requirement to keep costs to a minimum and manage a robust operation during lean times;
- the need to retain some surplus within the business in order to provide a buffer.

The agreement will be reviewed every five years.

13. Car parking

There will be paid car parking linked to the Centre. The parties agree that: -

- a) there should be sufficient parking to meet the needs of the Centre, the Tramway and other attractions in Seaton;
- b) income from existing parking is regarded as important to EDDC and the new parking arrangements should not impact significantly on this; and
- c) potential custom for the Centre should not be adversely impacted by a parking charge.

The parties agree that paying entrants to the Centre should have the opportunity for their parking levy to be reimbursed. The parties will explore ways to achieve this so that any benefits or costs that arise from such an arrangement are shared on a fair basis between the parties, and neither party is "out of pocket". This might include joint ticketing arrangements between EDDC and DWT.

14. Relationships with neighbouring operations

DWT will undertake to: -

- work in partnership with EDDC regarding Axe Estuary Wetlands and cycleway, and other local organisations regarding the organisation and delivery of events and activities (e.g. canoeing in the wetlands);

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-
- pursue joint marketing and promotion, treating combined facilities as one overall experience, including through websites;
 - cooperate with EDDC Countryside Service agree the basis of revenue sharing for any such activities and events.

EDDC will undertake to: -

- work with DWT along similar lines as set out above;
- liaise with DWT and local businesses, including the Seaton Tramway and Tesco, to ensure that developments at the Tramway complement the Centre rather than compete with it.

15. Governance

The Discovery Centre will be owned by EDDC and operated by DWT. The aims, values and aspirations of the Natural Seaton project will be owned by the Natural Seaton Partnership (NSP). NSP will meet periodically and will play an advisory role. It will be consulted on key decisions but will not be responsible for executive decisions or budgets.

NSP will have representation from the parties to this agreement, DCC, Seaton Visitor Centre Trust and individuals who can bring relevant experience to the project, and will be established by the time of the HLF first stage submission.

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On behalf of East Devon District Council

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On behalf of Devon Wildlife Trust