

# Heritage, Culture and Leisure 4<sup>th</sup> April 2017 Committee

Is the final decision on the recommendations in this report to be made at this meeting? **Yes**

## A Sustainable Future for Mote Park Update

<b>Final Decision-Maker</b>	<b>Heritage, Culture and Leisure Committee</b>
<b>Lead Head of Service</b>	Head of Regeneration & Economic Development
<b>Lead Officer and Report Author</b>	Laurence Tricker
<b>Classification</b>	Public
<b>Wards affected</b>	All

### **This report makes the following recommendations to this Committee:**

#### **Car Park Charging**

1. That approval is given to the Parking Services Manager to amend the Off-Street Parking Places Order to vary the car park tariff for parking for up to 6 hours from £1 to £2, to meet the budget and in response to peak demand, and to invest £250,000 in additional parking provision

#### **Adventure Zone**

- 2.1 To approve a revised total scheme cost of £1,150,000 for the Adventure Zone.
- 2.2 To invest a further £300k in non-income producing improvements to the park (from the existing Capital Programme) within an existing contract as detailed in the report.
- 2.3 To delegate authority to the Head of Regeneration and Economic Development to undertake a procurement process for a contractor for the Adventure Zone and other improvements in line with the Contract Procedure Rules.
- 2.4 To delegate authority to the Director of Finance and Business Improvement to award the contract to the successful bidders for the construction of Adventure Zone in line with the Contract Procedure Rules
- 2.5 To delegate authority to the Head of Mid Kent Legal Services enter into contracts and any other necessary agreements for the construction of the Adventure Zone.

## **Mote Park Centre**

- 3.2 To approve a revised total scheme cost of £1.75m for the Visitor Centre.
- 3.2 To invest a further £625k in non-income producing improvements to the park (from the existing Capital Programme) as detailed in the report under the same contract.
- 3.3 To delegate authority to the Head of Regeneration and Economic Development to undertake a procurement process for an architect and other professional services and appoint to these contracts in line with the Contract Procedure Rules.
- 3.4 To delegate authority to the Director of Finance and Business Improvement to award the contract to the successful bidders for the construction of the Mote Park Centre in line with the Contract Procedure Rules.
- 3.5 To delegate authority to the Head of Mid Kent Legal Services to enter into contracts and any other necessary agreements for the construction of the Mote Park Centre.

## **This report relates to the following corporate priorities:**

- Keeping Maidstone Borough an attractive place for all - Ensuring there are good leisure and cultural attractions.
- Securing a successful economy for Maidstone Borough -

## **Timetable**

<b><i>Meeting</i></b>	<b><i>Date</i></b>
Corporate Leadership Team	21/03/2017
Heritage, Culture & Leisure Committee	04/04/2017

# A Sustainable Future for Mote Park Update

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. On 5th January 2016, the Heritage Culture & Leisure Committee approved a report titled "A sustainable future for Mote Park". This report proposed a number of investment projects, as follows;
  - Car Park Charging
  - Adventure Zone
  - Visitor Centre (and bringing the café operation "in house")
  - Improvements to existing facilities within the park.
- 1.2. This report briefly sets out the progress made on the Sustainable Future for Mote Park Programme, as well as future actions planned, key deliverables as well as any budgetary changes required. The purpose of this report is to seek approval from Heritage, Culture and Leisure Committee (HCL) to progress these projects with revised total scheme costs.
- 1.3. These will be discussed under 1) Car Park Charging 2) The Adventure Zone, 3) Visitor Centre, as they will be scoped, procured and delivered within one of these three projects.

## 2. INTRODUCTION AND BACKGROUND

- 2.1. These three key projects form part of the Sustainable Future for Mote Park Programme and whilst we are the investors in these new facilities we are working with other stakeholders to progress these projects to achieve the wider objectives of the council and to make sound investments in community assets that will contribute to the overall leisure, heritage and culture offer of the borough.
- 2.2. We have appointed specialist consultants to ensure the design and financial viability is fully proven prior to awarding construction contracts and confirming operator contracts. The procurement of the design and construction stage of all of these schemes will be undertaken by the consultant advised by our own procurement team.

### 2.3. Car Park Charging

Date of Last Approval	5 <sup>th</sup> January 2016
Project Description	<p>The main car park has 109 parking bays. It was agreed to introduce a £1 charge for parking and for the current financial year, the budgeted income was £206,430. Charging commenced in Q4 of 2015/16 and the full year income forecast is £126,597 for the current financial year, a shortfall of £79,833.</p> <p>The current difficulties are compounded by the fact that at peak times, the 109 parking bays are insufficient, and this is on occasion resulting in lost income and also detracting from the overall visitor experience.</p> <p>This situation will only be exacerbated when the new facilities are created, with the associated increased visitor demand for parking.</p> <p>On this basis there is a necessity to create a further surfaced visitor car park for 77 bays and also undertake improvements to the existing over-flow car park (194 bays). This investment required (£250,000) needs to be viewed in the context of the budgeted income target for car parking within Mote Park, of £206,430, which if capitalised at 7% would give an asset value of £2,948,999.</p>
<b>Proposal</b>	<ul style="list-style-type: none"><li>• To raise the parking charge to £2.00, for parking for up to 6 hours in all Mote park pay and display car parks, to raise income slightly in excess of the budget target based on current usage and also invest £250,000 in creating the additional car parking as detailed above (this construction work will be procured as part of the Adventure Zone Contract).</li></ul>

## 2.4. Adventure Zone

Date of Last Approval	5 <sup>th</sup> January 2016
Project Description	<p>The design for this new facility had been advanced, to include; a high ropes frame, a climbing wall, adventure golf, kiosk, adjacent car parking and a Segway track.</p> <p>A procurement process to identify a contractor to build and operate the new facility was undertaken but regrettably there was only one bidder, and this failed to demonstrate VFM for the build element.</p> <p>Having taken further internal procurement and legal advice, we are now content that SERCO can be installed as the operator of the completed facility, by way of it being an extension of their existing Leisure Centre contract, which expires in March 2023. Accordingly, SERCO have committed in writing that they would honour their offer to operate the new facility for the remainder of their main contract and their proposed business plan would provide revenue (see exempt appendix for details) to the council. This operational agreement includes a renewal, repairs budget provided by the operator covering the 6 year period of use under the agreement. We would then negotiate terms with a new operator of the Leisure Centre and the Adventure Zone.</p> <p>Furthermore, the previous design of the Adventure Zone was too costly. Following specialist cost consultancy input the scheme has been value engineered and so the planning application, which was placed on hold, following the aborted procurement process, will be restarted imminently. The budget for the Adventure Zone as a total scheme cost is £1,150,000 and our Employer's Agent will commence the procurement of a contractor next month with a view to the new facility opening in April 2018.</p> <p>To support the main Adventure Zone facility there will need to be footpath and drainage improvements made in the vicinity (the costs of which will be contained within the total scheme cost detailed above).</p> <p>Improvements to existing facilities (which will not be</p>

	income producing) will also be procured under this project, as follows;	
	<ul style="list-style-type: none"> <li>New play area at a cost of £300,000 (from the existing Capital Budget allocated for this purpose).</li> </ul>	
	<b>Approval Requested</b>	<b>Previous Approval</b>
Employers' Agent (EA)	Silver	Martin Arnold
Architect	Scott Allen Associates	Scott Allen Associates
Principal Designer	Silver	n/a
Total Scheme Cost (TSC) inclusive of all fees	£1,150,000 (an increase of £360k)	£790,000
Projected Income Per Annum (Rent)	( see exempt appendix for details)	n/a
Projected Gross Yield on TSC	10% (MIN 8% NET)	n/a
Proposed Operator	SERCO	n/a
Submission of Planning Application	Autumn 16	n/a
Grant of Planning Consent	June 17	n/a
Start on Site	September 17	n/a
Practical Completion/Opening	March 18	n/a
<b>Proposal</b>	<ul style="list-style-type: none"> <li>To set a revised total scheme cost of £1,150,000 for the Adventure Zone, and also invest £300k in non-income producing improvements as detailed above from the existing capital budget allocated for this purpose.</li> </ul>	

## 2.5. The Mote Park Centre

Date of Last Approval	5 <sup>th</sup> January 2016
Project Description	<p>The Mote Park Centre will be a new building located in Mote Park which will act as the hub for the 1 million plus visits per year. The proposed building will include café/restaurant, flexible community/hire space and key facilities-toilets, staff/volunteer office space. It is important to recognise that the current café and toilet facilities are now obsolete and inadequate.</p> <p>The current Mote Park café operation was brought in house in Q4 of 2015/16. Since then, financial performance has fallen short of the original budget estimate and based on (almost) a full financial years' trading information for 16/17, the Corporate Leadership Team made the decision to withdraw from this "in house" operation and procure a new private sector operator to take over with effect from 1<sup>st</sup> October 2017. The "in house" team will continue to manage this café (and the Museum café) for the intervening six month period, and the new private sector operator will run both cafes thereafter.</p> <p>These difficulties have meant that we would not run the new Visitor Centre when complete, and we have also scaled back the proposed investment in the new Visitor Centre based on these trading difficulties.</p> <p>Once the new centre is built at a reduced total scheme cost of £1,750,000 we will, subject to performance, offer the incumbent operator the opportunity to take on the new café. At this time all efforts will be made to adjust this arrangement into a long term full repairing and insuring lease type arrangement, so as to minimise any gross to net yield gap for the new facility and so maximise its asset value to the Council.</p> <p>Improvements to existing facilities (which will not be income producing) will also be procured under this project, as follows;</p> <ul style="list-style-type: none"> <li>• Relocation of the Park Estate Service Building and Maintenance Area at a cost of £250,000 (from the £766,020 Mote Park Essential Improvements Capital Budget).</li> <li>• Resurfacing the main entrance road at a cost of £150,000 (from the £766,020 Mote Park Essential Improvements Capital Budget).</li> <li>• Resurface the roadway / path / cycleway from the main car park to Willington Street at a cost of</li> </ul>

	<p>£225,000 (from the £766,020 Mote Park Essential Improvements Capital Budget).</p> <p>The improvements to existing facilities delivered under this project will take £625,000 of the allocated resource for Mote Park essential improvements</p>	
	<b>Approval Requested</b>	<b>Previous Approval</b>
Employers' Agent (EA)	Silver	None
Architect	Currently being procured	Clague
Principal Designer	Silver	None
Total Scheme Cost (TSC) inclusive of all fees	£1,750,000 (a reduction of £750k)	£2,500,000
Projected Income Per Annum (Rent)	( see exempt appendix for details)	n/a
Projected Gross Yield on TSC	2.2%	n/a
Proposed Operator	TBC	In house
Submission of Planning Application	Jan 18	n/a
Grant of Planning Consent	April 18	n/a
Start on Site	Sep 18	n/a
Practical Completion / Opening	Jan 20	n/a
<b>Proposal</b>	<ul style="list-style-type: none"> <li>• To set a revised total scheme cost of £1.75m for the Visitor Centre.</li> <li>• To invest £625k in non-income producing improvements as detailed above.</li> </ul>	

### 3. AVAILABLE OPTIONS

#### 3.1. Do not proceed with any of these projects

The Sustainable Future for Mote Park programme sets out the rationale for the proposed Mote Park Centre, Estate Services Building and Adventure Zone as does the emerging Parks and Open Spaces 10 Year Strategic Plan. Without these schemes there would be a lost income opportunity to help offset reducing revenue budgets and no contribution to improving the leisure facilities and health and wellbeing across the Borough.

#### 3.2. Continue as set out in the above report

Recent work on these schemes has further refined the budget allocated which is still likely to create a positive return on the investment commensurate with the council's view of Mote Park as the 'jewel in the crown' of the council's parks, and provide the attractions required to

generate the footfall, visitor appeal and provide core facilities for the estates team and Mote Park Fellowship.

The council’s continued commitment to parks and their importance to our communities, the visitor economy and Mote Park’s national status, requires an appropriate response to make investments that will ensure we enhance the quality of the park, manage and respond to the growth in visitors and contribute to the long term viability of this most important community asset and this report reiterates this commitment. An increase in parking charges combined with improved and increased parking facilities will address the shortfall in the forecasted income budget for future years.

**4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

4.1. The preferred option is to proceed as set out in this report and agree the recommendations set out under “Recommendations” above. These capital projects represent a significant investment over the next 3 years and will deliver the core elements of the Sustainable Future for Mote Park.

**5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

5.1. The design concepts and budget implications and revised work on capital costs and revenue incomes for Mote Park Centre were presented to Members at a briefing in February. Members were supportive of a revised budget based on the design concepts presented at the briefing which presented a more modest building in terms of scale, but without any loss in the overall quality and multi-usability.

**6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- Progress and conclude the planning application for the Adventure Zone.
- Run a procurement process for the construction of the Adventure Zone and award the contract.
- Run a procurement process and appoint architects to proceed with design process of the Mote Park Centre and the Estate Services Building.
- Run a procurement process for the construction of the Mote Park Centre and the Estate Services Building and award the contract.
- Raise car parking charges to reflect the recommendations to vary the car park tariff

**7. CROSS-CUTTING ISSUES AND IMPLICATIONS**

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	Keeping Maidstone an attractive place for all – ensuring there are good leisure and cultural attractions.	Head of Regeneration and Economic Development.

<b>Risk Management</b>	Full risk assessments are carried out for each project.	Head of Regeneration and Economic
<b>Financial</b>		Section 151 Officer & Finance Team
<b>Staffing</b>		Head of Regeneration and Economic
<b>Legal</b>	The legal implications are incorporated into the body of this report. The legal team will assist with the procurement processes and the preparation and award of the contracts.	Interim Head of Legal Partnership
<b>Equality Impact Needs Assessment</b>		Head of Regeneration and Economic
<b>Environmental/Sustainable Development</b>		Head of Regeneration and Economic
<b>Community Safety</b>		Head of Regeneration and Economic
<b>Human Rights Act</b>		Head of Regeneration and Economic
<b>Procurement</b>		Head of Service & Section 151 Officer
<b>Asset Management</b>		Head of Service & Manager

## 8. REPORT APPENDICES

8.1. The following documents are to be published with this report and form part of the report:

- Appendix I and II for Concept Designs for the Mote Park Centre.
- Appendix III for details on exempt items

## 9. BACKGROUND PAPERS

9.1. A Sustainable Future for Mote Park.