

**Body:** Cabinet

**Date:** 25<sup>th</sup> May 2016

**Subject:** Wish Tower Restaurant – Development and Marketing Programme Update

**Report of:** Nazeya Hussain, Senior Head of Regeneration, Planning and Assets

**Ward(s)** Meads

**Purpose** To receive and note this update report on the development of the former Wish Tower restaurant and to delegate authority to the Senior Head of Regeneration, Planning and Assets to conclude commercial terms with an operator, including a lease of the building.

**Decision type:** Key Decision

**Recommendation:** Cabinet is recommended to:

- (i) Note the contents of this report.
- (ii) Delegate authority to the Senior Head of Regeneration, Planning and Assets to conclude the commercial agreement with the preferred operator.
- (iii) Delegate authority to the Senior Head of Regeneration, Planning and Assets in conjunction with the Lead Member for Tourism and Leisure Services, and the Lead Member for Core Support and Strategic Services, to let the construction contract for delivery of the new building, subject to planning and other consents.

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## **1.0 Introduction**

- 1.1 In June 2015, Cabinet approved the following recommendations in relation to the Wish Tower site:
- i. Agree to recommendations for the marketing and future development of the site.
  - ii. Agree to the appointment of the project manager to assemble the project team and prepare concept designs to support the marketing of the site.
  - iii. Delegate to the Senior Head of Regeneration, Planning and Assets in consultation with the Strategic Property Board the marketing of the

- site to secure a cafe/restaurant operator and agree the final design.
- iv. Agree the £1.2m from the DCLG grant fund is allocated to the new Wish Tower development.

- 1.2 Following these recommendations, Focus Consulting (FC) were appointed as Project Managers, together with Levitt Bernstein (LB) as architects and Bruce Gillingham Pollard (BGP) to procure a high quality operator for the site, with the aim of bringing a different offer to Eastbourne that would both improve what already exists, but without competing with it. In accordance with agreed longer term objectives, the Council has agreed to move forward with the development of a permanent top quality venue that offers an exceptional dining experience, boosted by high end interior and exterior design values.
- 1.3 The unique location of the site presents the Council with an unparalleled opportunity to deliver a flagship development; the intention being that the new scheme will prove attractive to both visitors and residents. However, in accordance with the Council's commitment to a sustainable asset base, it is imperative that the new development is financially viable providing an income to the Council.
- 1.4 Funding for the new development is provided by the successful award of capital from the DCLG grant fund of up to £1.2m. This project represents the largest element of the total £2m fund granted by DCLG, which is providing support to a range of other economic development activities across the town.
- 1.5 Notwithstanding the above and befitting the generous donation made by the Foyle family in the 1950s, the permanent facility has been designed to complement the planned war memorial and peace garden at the Wish Tower, providing a visual link between the two, in memoriam to the civilians of Eastbourne, killed in World War II. To that end, officers and LB have been working closely with representatives of the Foyle family to ensure there is a synergy between the two projects and the design of the new restaurant has been influenced by the proposed memorial.

## **2.0 Background**

- 2.1 The Council commissioned and received a 'soft market test', undertaken by an international leisure market and investment appraisal specialist. The key points from the study which informed the marketing strategy are summarised below:
  - The unique location and its potential are likely to appeal to independent operators which may be less attractive to operators within the corporate sector as it is considered off pitch when compared to the town centre.
  - The site has the potential to become a significant draw for visitors attracting footfall towards the Devonshire Park and cultural quarter of the town.
  - Rather than constraining the opportunity at this stage, the marketing campaign offered a flexible approach to terms, offering both standard commercial and long lease options.
  - Through the implementation of an effective marketing programme, the

appropriate disposal/letting method will be adopted to secure the optimum development to meet the Council's financial, economic, social and environmental objectives.

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### **3.0 Operator Procurement**

3.1 Following a period of advertising to the market, there were 14 initial requests for information and 6 potential operators submitted expressions of interest.

3.2 The assessment panel tested the expressions of interest against a number of criteria:

- Extent to which the proposal meets the Council's vision.
- Extent to which the commercial viability and terms are acceptable to the Council.
- Extent to which the Council has the confidence in the bidder's ability to deliver.
- Extent to which the Council is satisfied that the bidder has the appropriate financial capability to deliver the offer.

3.3 Three operators have been shortlisted and will now go through a negotiated process to determine their Best and Final Offer (BaFO). The preferred operator will be determined in mid-June.

3.4 Officers have mapped out the existing offer along the seafront and the results are attached at Appendix 1. There is a clear gap in the market for a high quality day to night restaurant, with an emphasis on local, fresh produce.

3.5 As part of the council's Vision to create a footfall driver to the seafront, the preferred bidder must demonstrate a menu and price point to appeal to all potential customers and markets including beach goers, tourists and locals. Restaurateurs are encouraged to provide sample menus with prices to cover the range of offer that they are proposing.

3.6 In tandem with menu affordability the preferred operator must be able to demonstrate their respective varied food offers across the day – i.e. breakfast, lunch and dinner. It's important that the menu isn't too focused on one particular food type without offering alternatives. Seafood is a natural food type given the location and this would be encouraged to appear on the menu.

3.7 When considering each bid, and the suitability of the offer for Eastbourne, a high degree of regard has been given to the existing seafront offer. It is important that the preferred operator is able to offer something that does not already exist, bringing with it a certain cachet that will both attract new visitors to the town, but that will also hold appeal to local people.

### **4.0 Design and Planning**

4.1 The project manager (FC) is driving through progress on the new permanent facility. The architects, LB, have been working up designs to RIBA stage C of

the scheme within the parameters of the planning guidance note and reflecting the Council's aspiration for this iconic site. The plans are to assist potential operators visualise the scale and form of the new facility, in turn assisting them in submitting bids for the future operation of the new café/restaurant.

- 4.2 The footprint of the proposed building, whilst larger than the existing Western View café, is considerably smaller and less imposing than the original Wish Tower restaurant. It is also further away from the Wish Tower itself and the design aim has been to minimise potential impact upon the tower.
- 4.3 The design has been through several iterations and LB are keen to deliver something that is sympathetic to the surroundings, but that is not a direct replacement, on a larger scale, of the existing facilities.
- 4.4 A construction contractor will be appointed to deliver the scheme. Internal fit out will be the responsibility of the tenant. The permanent facility will need to meet the target yield, consistent with the commitment to achieving a sustainable asset base by 2021.
- 4.5 A planning application will be submitted in June, for determination in September.

## **5.0 The Western View**

- 5.1 The Western View café opened in July 2013 and operates within a gross internal area of 66 sq m with a further decking area of circa 390 sq m. There are 30 internal covers and capacity for 250 covers on the decking.
- 5.2 The facility opens daily from 08.30 until dusk, offering a light bite menu with hot and cold snacks. On the busiest days, the Western View receives an average of 450 customers each day and the average spend per head is £6.50.
- 5.3 The core business is repeat business with an approximate mix of use of around 60% residents and 40% visitors.
- 5.4 Officers have canvassed the regular users and their reasons for using the Western View are: quality and price, customer service, location, and views. The only adverse comment received is that the Western View is just not big enough.
- 5.5 The Western View was constructed in such a manner that most of the building could be salvaged and relocated elsewhere. It is proposed the facility will continue to operate until the end of November 2016, then it will be dismantled and moved to another location.
- 5.6 Three sites have been identified as potentially suitable for the relocation of the facility. Officers are working up the options in more detail and relocation will need to take place between January 2017 and March 2017.
- 5.7 The costs of relocating Western View are outside of the scope of the Wish

Tower restaurant project. Likely relocation costs will include site surveys, connection to utilities, planning application, associated legal costs relating to governance. It is recommended that officers bring a separate report to Cabinet in due course relating to the options and costs of relocating Western View.

## **6.0 Consultation**

6.1 The Wish Tower location is a treasured part of the seafront. Within the context of sensitive and considered plans it has huge potential. The Council anticipates and welcomes significant interest from the public in respect of the future development of this important site.

6.2 In line with the Cabinet decision, officers have been briefing the Strategic Property Board. There have also been a number of stakeholder meetings with heritage, commerce and tourism stakeholders, including the Wish Tower memorial group, Business Breakfast, Pier Action Group, and the Wish Tower Project Board.

There will be further public consultation as part of the planning process.

## **7.0 Corporate Plan and Council Policies**

7.1 The proposal to provide a permanent facility at the Wish Tower site conforms to the Corporate Plan priorities to create a prosperous economy and quality environment. That the new development be financial viable aligns with the commitment to sustainable performance.

7.2 The proposal to provide a permanent facility is consistent with the Corporate Plan as working in partnership to redevelop the Devonshire Park complex and the Wish Tower Restaurant site on the seafront.

## **8.0 Legal Implications**

8.1 This is an update report and there are no legal implications arising from it. The Council has appointed Blake Laphorn LLP to assist with the specialist legal agreements required for this project.

## **9.0 Equality analysis**

9.1 The building will meet Building Regulations requirements, ensuring that it meets the access needs of a number of protected characteristics such as age, disability, and pregnancy and maternity.

9.2 Additionally, the service will aim to meet the needs of users, including those who may be disadvantaged on socio-economic grounds.

## **10.0 Performance and outcomes**

10.1 The progress of the project will be monitored by the Strategic Property Board in accordance with standing instructions.

## **11.0 Conclusion**

- 11.1 The future development of the Wish Tower site is an integral part of the Council's seafront and tourism strategy. Significant progress has been made to develop a design and determine an operator. The next steps will be to appoint an operator, submit the planning application, and to prepare the construction contract.
- 11.2 Members are requested to approve the recommendations as outlined in the report.

### **Background papers**

The Wish Tower, King Edwards Parade, Eastbourne - Leisure Market and Investment Appraisal - a report by GVA, a Bilfinger Real Estate Company, November 2014.  
Wish Tower Site, King Edwards Parade – Planning Advice Note, May 2015

**Appendix 1:** Analysis of seafront food and beverage offer

<b>Seafront F&amp;B</b>	<b>Location</b>	<b>Food Offer</b>	<b>Operator</b>
Pistachio in the Park	Princes Park	Day time offer, light lunches. Tea/coffee/ice cream. Will operate as a training facility for hospitality students	Lease about to be signed with the University of Brighton
Beach Deck	Treasure Island	Restaurant, fully licenced. Day and evening offer. Breakfast, lunch full menu.	GPSI Europe
Spinnakers	Redoubt	About to be refurbished and new lease issued, will be a day time offer, tea, coffee/cake	Lease about to be signed will form part of the volleyball offer
The Outpost	Inside the Redoubt	Daytime offer. Light lunches, mainly tea/coffee cake	Devonshire Park Catering
The Pavilion	Royal Parade	Licensed café, day time only. Light lunches. Tea/coffee cake	Devonshire Park Catering
The Broadwalk	Lower promenade	Licensed café, housed within the seafront shelter. area of decking on the beach Day and evening offer. Speciality pizzas made on site	GPSI Europe
St Aubyns Kiosk	Marine Parade	Ice creams. Teas and coffee	GPSI Europe
Roux Express	Lower promenade	Licensed café housed within the seafront shelter. Decked area of beach mainly open during the day. Light lunches. Tea/coffee cake	GPSI Europe
Marine Parade - Kiosk	Marine Parade	Ice creams. Teas and coffee	GPSI Europe
The Beach House	Grand Parade	Licensed café housed within the seafront shelter. Area of decking on the beach. Mainly daytime offer. Light lunches. Tea/coffee cake	Ocean Breeze

Carpet Gardens Kiosk	Grand Parade	Ice creams. Tea and coffee	GPSI Europe
Devonshire Place - Kiosk	Grand Parade	Ice creams. Tea and coffee	GPSI Europe
Perriwinkles	Lower promenade	Seafood bar. Frozen yoghurts. Ice creams	EBC owned, leased to tenant
Swiss Chalet	Lower promenade	Ice creams. Tea and coffee	GPSI Europe
Bandstand - West	Grand Parade	Ice creams. Tea and coffee	GPSI Europe
Howard Square - Kiosk	Grand Parade	Ice creams. Tea and coffee	GPSI Europe
Carlisle Road - Kiosk	Grand Parade	Ice creams. Tea and coffee	GPSI Europe
Wish Tower - Kiosk	Grand Parade	Ice creams. Tea and coffee	GPSI Europe
Western View	King Edwards Parade	Licensed café. Large area of decking. Light lunches and tea, coffee and ice creams	Devonshire Park Catering
Holywell Café	King Edwards Parade	Licensed café, mainly light lunches and breakfast menu. Tea/coffee cakes and ice creams	EBC owned, with a lease to tenant