

Agenda for Exmouth Queen's Drive Delivery Group

Tuesday, 17th November, 2020, 2.00 pm



Members of Exmouth Queen's Drive Delivery Group

Councillors P Arnott (Chairman), P Hayward (Vice-Chairman), M Armstrong, O Davey, N Hookway, A Colman, D Ledger, B Taylor, J Whibley and C Wright

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Venue: Online via the Zoom App. All Councillors and registered speakers will have been sent an appointment with the meeting link.

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Issued 9 November 2020

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- 2 Public speaking
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[Decision making and equalities](#)

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EAST DEVON DISTRICT COUNCIL**Minutes of the meeting of Exmouth Queen's Drive Delivery Group held Online via the Zoom App. on 15 October 2020****Attendance list at end of document**

The meeting started at 10.00 am and ended at 12.50 pm

1 Public speaking

There were 7 members of the public wishing to speak.

1. Julia Gash reported that she had moved down from Sheffield to Exmouth 5 years ago for the gentler climate and beautiful coastline. The drawback she experienced was the town was tired in terms of its offer. She wished to express her support for the development work that had been undertaken on the seafront so far. She thought this would improve the tourism offer for the town, the economy and creating a contemporary space that is attractive to both visitors and residents. As an Exmouth business owner she wished to express her support for the Hemingway vision.
2. Laura Woodward-Drake introduced herself as the new Chair of the Exmouth Chamber of Commerce whose motto was 'Grow Stronger Together'. She wished to echo the previous speaker's comments on the Hemingway plan in regenerating the seafront. She was the manager of a local language school with 4,000 visitors and who regularly brought, many of them to the seafront. She considered the Hemingway Design to be a good one and ticked many boxes. She hoped that development on the seafront could move forward now.
3. Justin Moore reported that the Queens Drive development was a fantastic opportunity for Exmouth. The Hemingway Design was well presented and would complement other developments. It would make Exmouth an all year round destination and improve the economy. He saw the changes made as positive.
4. Ivor Jones thanked the Panel for the opportunity to speak. He was the Station Manager for NCI Exmouth who have operated from the tower adjacent to the Harbour View Café. Part of the national network of NCI stations and consistently the 3rd/4th busiest station. The ability for them to operate properly in Exmouth depended upon them having a new facility. They needed 25m of look out space in the new development to include training and storage facilities. He hoped that a Coast Watch Visitors Centre could be incorporated in the new facility, as this would be a great benefit for Exmouth. An inspirational new building would be to everyone's benefit. To compromise with unsuitable and inadequate coast watch facilities would impact upon NCI's ability to provide an effective and efficient coast watch service for this area both now and in the future.
5. Gordon Hodgson reported that he had lived in Exmouth for 48 years. He had been part of a group in Exmouth that had been working to unburden the Seafront site from the unrealistic expectations of a commercial return. He wished to widen the range of ideas and improve public consultation. Balance the need to have confidential commercial information to provide the public with information. He wished to see the idea of a hotel removed from the proposed developments. The

site was expected to provide too much of a commercial return. This had artificially increased to pay for the cost of road alignment.

6. Sally Galsworthy, local Exmouth resident agreed with most of what the first two speakers had said. However, there was a history of a sorry saga of the seafront and democracy had been by-passed. A businesses on the seafront had spent up to £10k of their own money on plans to develop their business. She was pleased that the new administration had taken over and were pursuing a more open regime.

The plans for the new hotel were misguided and 6 years of soft marketing for the site had not provided any success. By contrast there had been 6 bids for the Harbour View site. The purchase of the Ocean building had proved, so far, to be a wasted opportunity and was losing money for the council. Why did the council pay full price for this building and she felt that councillors had been fed misinformation. Why not put business spaces in the Ocean building to let by tender?

7. Daphne Currier, local Exmouth resident was a member of Save Exmouth Seafront and felt that the public's concern over developments along the seafront had been ignored. The Constitution of Save Exmouth Seafront had three key objectives which were to support local businesses, to demand independent consultation and to stand against inappropriate development. It was noted that support for businesses included water sports. With regard to public consultation, the option of a hotel had been the least popular in EDDC's own consultation and a Town Poll had shown that 95% of respondents had asked for further independent public consultation. Inappropriate development was considered to be development which placed excessive demands on local infrastructure.

2 Welcome from Chairman

Cllr Paul Arnott, Chairman of the Delivery Group wished to welcome all the public and Councillors to the first meeting of the Queens Drive Delivery Group. He reported that he had visited Exmouth seafront on many occasions when a student at Exeter University. He had been upset to hear that despite best efforts there was conflict over what was best for Exmouth seafront. There was the need to: 1. Look to the future and the need to make peace with the past. With this in mind he would be happy for public speakers to contact him via email with their questions .2. The need to get on with development at the seafront.

He felt it was appropriate as Leader of the District Council to take the chairmanship of the Panel for the first few meetings and then hand over to an Exmouth member when the future was clearer.

3 Declarations of interest

Minute 5. Current Position.

Councillor Olly Davey, Personal, is a member of Exmouth Town Council

Minute 5. Current Position.

Councillor Nick Hookway, Personal, former Chairman of Save Exmouth Seafront, author of the Exmouth Egg proposal

Minute 5. Current Position.

Councillor Joe Whibley, Personal, is a member of Exmouth Town Council

Minute 5. Current Position.

Councillor Chris Wright, Personal, is Littleham Ward Member, former tenant of the Queen's Drive redevelopment site

4 **Terms of reference (see attached document)**

Members of the Delivery Group received details of the Terms of Reference.

Cllr Paul Millar suggested that a clause be added to facilitate public engagement with Queens Drive Phase 3. It was also suggested that the words 'invites to individuals' in paragraph 4 of the Terms of Reference be removed.

RESOLVED: that a full review of the Terms of Reference for the Delivery Group be undertaken at the next meeting of the Delivery Group.

5 **Current position (see attached Briefing Note & Chronology of Activities)**

Members received a presentation by Tim Child, Service Lead - Place, Assets & Commercialisation, who reported that the Queen's Drive development site had been a key project for the council for over 8 years. It was first identified in the Exmouth Seafront and Town Centre Masterplan: Exmouth Vision. The first part of the report set out the current position for phase 3 of the site with information on the recent work undertaken by Hemmingway Design and Lambert Smith Hampton. It also set out the position regarding the temporary uses on the phase 3 site. The second part set out a brief summary of the background to the Water Sports Centre project – how and why this was pursued and details of the various activities that were necessary to facilitate its delivery and covered other contextual information that was helpful for members to be aware of.

He reported that he was coming to the development with a fresh pair of eyes as he had not been involved in the early stages. Achievements so far were:

1. Newly aligned road
2. New car park.
3. Temporary uses on the Phase 3 site.
4. The new Water Sports Centre.

The current position was that progress on Phase 3 was on hold. The Council could progress the site by marketing it, which was a two stage process and which was provided for by a Cabinet decision earlier this year. A commercial element on a part of the site was important to pay for the free play and public realm on the remainder as per earlier decisions by Members. He reported that Officers were ready to support Members. The Officer's role was to take forward proposals agreed by Cabinet or Council. This was a great opportunity to complete the final stage of the Queens Drive Development and provide a sustainable legacy.

During the lengthy discussions the following points were noted:

- Temporary uses on the Phase 3 site had been successful.
- It was the intention of the new administration for members and officers to work together to get a successful seafront development done.
- Importance of providing a high quality outdoor attraction that was commercially viable, but also to listen to the views of the public.

- The vision was to provide a project/facility directed at the young and not so young, both local people and visitors. A landmark building on the Harbour View site was needed providing excellent facilities.
- The hotel site would provide a capital receipt.
- Need to see what has been spent on developments so far and what income had been received. The current position of Ocean Blue, including cost and revenue.
- Impressed with what has happened on the site and the free play area was superb. Businesses had been pleased to be there but would like longer leases for their businesses.
- Importance to the rest of East Devon that we get this development right.
- Need to focus more on a staycation and environmental concerns. People appreciated the natural environment of Exmouth. Importance of the development for future of the seafront.
- Whatever was to be provided for on the site had to be paid for and needed to be cost neutral. Development should not be entirely down to what visitors want.
- This was a very complex issue and we need to focus on what we do going forward. The need to invite the public to contribute in as simple a way as possible.
- Crucial we need to get this right. Exmouth has one of the UK's finest beaches. The development has not taken full advantage of the natural capital of Exmouth seafront. There was the need to listen to the public and move forward.
- The loss of income to the Council for businesses that had been closed was £178,000 lost in rent and rates.
- Appropriate development was needed on the site and felt that a hotel was not appropriate. There was a need for something that was commercially viable and generate income for the council and be self-financing. Encourage people to come to the seafront in sustainable ways.
- Who pays for the Coast Watch tower?
- Need to move forward with accurate evidenced information. Businesses that had been moved on from the seafront had spent a lot of their own money on plans to upgrade their offer and this had been wasted. Felt that the project had been ill thought out from the beginning with poor management and little effective public consultation. The site was OK before the development and just needed updating.
- Was the proposal to include a hotel in the development pre-determined?
- Exmouth was critically important to East Devon and the council need to do the right thing. The project should not be taken forward on an artificially tight deadline, which will result in poor decisions being made. Would like full disclosure of what happened in the past. The Council seemed to have been hoodwinked by private developers and the public of Exmouth have suffered as a result. Concerned about the effect of Brexit. Need to obtain a consensus view of the way forward.
- Would like to see the Dinosaur Park extended into the car park and get older children involved.
- Many residents of Exmouth feel that the Harbour View building should be retained
- Look at alternative routes for funding the developments.
- Any proposals going forward should have a free or affordable element within it.
- Importance of provision of indoor facilities to make Exmouth an all year round destination. Some of which could be provided in the Ocean Building.

Tim Child, Service Lead – Place, Assets & Commercialisation in response to questions raised above reported that the decision to include a hotel in the design brief had not been pre-determined. The 2012 permissions had we understand been implemented. The road and car park had cost £1.6M and the total cost of the development so far had been circa £3M. Full details would be provided at the next meeting, including income and rent lost

on existing leases. Coast Watch did not pay any rent based on a historical arrangement. A new tower for them had already been agreed in the Phase 3 development. Extending the play park was a possibility and was ultimately a Members' decision.

6 **Way forward**

That the following be agreed as a way forward for the Delivery Group:

Cllr Joe Whibley proposed that the development of the Ocean building be included within the remit of the Delivery Group and that Cabinet be requested to make the change to include this within the Terms of Reference. This was seconded by Cllr Megan Armstrong and was **RESOLVED**.

It was also agreed that the chronology of activities be brought back to the next meeting of the Delivery Group to enable further detail to be included if necessary to provide a comprehensive record. A report would also be presented outlining considerations for temporary uses for 2021.

The next meeting would be held on either 10th or 12th November 2020.

RECOMMENDATION:

That Cabinet be requested to include the development of the Ocean building within the remit of the Exmouth Queen's Drive Delivery Group and that the Terms of Reference be amended accordingly.

Attendance List

Councillors present:

P Arnott (Chairman)
P Hayward
M Armstrong
O Davey
N Hookway
D Ledger
J Whibley
C Wright
S Gazzard (Exmouth Town Council)
A Bailey (Exmouth Town Council)

Councillors also present (for some or all the meeting)

F Caygill
P Millar
A Moulding
T Woodward
E Wragg
J Bailey

G Jung
J Loudoun
G Pook
G Pratt
K Blakey
S Jackson
M Rixson
P Faithfull
E Rylance

Officers in attendance:

Mark Williams, Chief Executive
Tim Child, Service Lead - Place, Assets & Commercialisation
Simon Davey, Strategic Lead Finance
Sarah Jenkins, Democratic Services Officer
Christopher Lane, Democratic Services Officer
Alethea Thompson, Democratic Services Officer

Councillor apologies:

A Colman
B Taylor

Chair

Date:

Exmouth Queen's Drive Delivery Group

Membership:

From East Devon District Council;

Leader (Chair), Deputy Leader (Vice Chair), Portfolio Holders for Economy & Assets and Strategic Planning, Ward Members from Brixington (x1), Halsdon (x 1), Littleham (x 2), Town (x 2) and Withycombe Raleigh (x 1).

From Exmouth Town Council;

The Mayor and one further Councillor

Support officers;

Service Lead (Place, Assets & Commercialisation), Project Manager in Place, Assets and Commercialisation, Principal Planning Officer for West Team, Principal Solicitor, Regeneration Officer, Clerk of Exmouth Town Council

Meetings: A minimum of four times per year

Quorum: Four District Councillors

Terms of Reference

- ☐ To provide a reference group of district and town councillors with officer support to inform progress and to make recommendations to East Devon District Council's Cabinet to enable it to take forward the successful delivery of *Exmouth Queen's Drive Redevelopment – phase 3*;
- ☐ To receive briefings and reports from officers and to act as a point of reference for the successful delivery of *Exmouth Queen's Drive Redevelopment – phase 3*;
- ☐ To monitor progress on achieving the delivery of the *Exmouth Queen's Drive Redevelopment – phase 3*;
- ☐ To advise on and input to external expert and professional consultancy;
- ☐ To support further engagement of public and stakeholders;
- ☐ To promote best practice, help overcome barriers and promote optimal outcomes for the benefit of Exmouth in delivering the redevelopment programme;
- ☐ To promote the objectives and successes of *Exmouth Queen's Drive Redevelopment*;
- ☐ To liaise with and share information with Exmouth Town Council.

To assist the Delivery Group they may, through the Chair, invite individuals with relevant expertise to attend on a 'one-off' basis to discuss a particular issue. The District Council will provide the secretariat service for the Delivery Group.

The Delivery Group will be open to the public (Part A) but may have a private part to the meeting (Part B) to discuss confidential and sensitive matters.

To ensure that there is public awareness of the Delivery Group's activities, discussions and project progress, notes of meetings will be publicly available and published as part of the District Council's Cabinet agendas.

The Delivery Group will be subject to review in two years' time to assess need for continuation and/or whether any changes are appropriate.

Queen's Drive – Chronology of Activities

CONSULTATION & AUTHORITY					PLANNING, FEASIBILITY, MARKETING, LEGAL & DELIVERY			
Ref no.	YEAR	Month Year	Activity	Detail	Ref no.	Month Year	Activity	Detail
10a	2010	2010 – 2011	Masterplan Consultation event	EDDC & DC – Exmouth Vision masterplan Consultation event – Summer 2011				Masterplan
11a	2011	Nov 2011	Cabinet Approval	On 30 th November 2011 a report was presented to Cabinet on the work of the Exmouth Vision masterplan. Recommendation approved to bring forward projects, including Queen's Drive.	11b	Dec 2011		The final masterplan document was published in December 2011. QD site identified – potential redevelopment site on the seafront. Originally referred to as Exmouth Splash
	2012				12a	Spring 2012	Project Management/ External advisors appointed	A project Initiation Document was prepared for Queen's Drive Stride Treglown, consultant architects appointed May 2012 and commenced feasibility work on Exmouth Splash proposals. Outline planning application prepared
12b		2012 - 2013	Planning feasibility Consultation External advisors	Series of consultation events in local community Nov 2012-Jan 2013 Consultation document prepared				
13a	2013		Consultation Findings	People consulted – feedback, Report compiled: Exmouth Splash Public Consultation 2012/13 Survey Findings				
13b		March 2013	Cabinet Approval	A report was submitted to Cabinet on 6 th March 2013 providing an update report on the Exmouth Masterplan Priority projects. Approval for Deputy Chief Executive Officer to progress	13e	March 2013	External advisors – for marketing the site	Jones Lang LaSalle were selected following a tender process Prepare delivery strategy for site
13c					13f	May 2013	Project viability External advisors	JLL provided a report with initial findings on project viability and recommendations on delivery strategy
13d		July 2013	Cabinet Approval	On 17 th July 2013 a report was presented to Cabinet to update on the public consultation work, planning application preparation Authority granted for officers to pursue delivery strategy	13g	Spring – Summer 2013	Planning Application	Feedback from consultation events Fed into Stride Treglown's proposals for the planning application
	2014				14a	January 2014	Planning	Outline Planning Permission Granted 13/1819/MOUT
					14b	February 2014	Marketing	Marketing of site by JLL
14c		April 2014	Cabinet Approval	On 2 nd April 2014 a report was presented to Cabinet Seeking authority for officers to take forward the selection decision following the marketing process. Grenadier identified for part of the site.	14g	Spring 2014	Developer Proposals	Grenadier proposals for Watersports Centre
14d		August 2014	Shortlist - Interviews	Remainder of site was put to the marketplace. Interviews were held 28 th August 2014. Panel from Exmouth Regeneration Executive Group	14h	Autumn 2014	Developer proposals	Moirai proposals put forward for remainder of site
14e		August 2014	Watersports Centre recommended	Decision by Exmouth Regeneration Executive Group to pursue delivery of the Watersports Centre				
14f		Nov 2014	Cabinet Approval	Report for the 5 th November Cabinet meeting Informing members on the Watersports Centre proposal. Approved to enter into Heads of Terms with Grenadier and that the council lead on the delivery of the road realignment and car park relocation	14i	December 2014	Delivery	Council decision to deliver road and car park ourselves to facilitate Watersports Centre.
15a	2015	January 2015	Cabinet Approval	Approval for Heads of Terms to be entered into with Grenadier	15c	January 2015	Legal	Heads of Terms with Grenadier Estates (GE) for Watersports Centre
15b		June 2015	Cabinet Approval	Approval to pursue an agreement on the remainder of the site with Morai Capital	15d	2015	Legal	Legal notices served and liaison and negotiations with some tenants.

Queen's Drive – Chronology of Activities

CONSULTATION & AUTHORITY					PLANNING, FEASIBILITY, MARKETING, LEGAL & DELIVERY			
Ref no.	YEAR	Month Year	Activity	Detail	Ref no.	Month Year	Activity	Detail
	2016				16a	March 2016	Planning	Reserved Matters Planning Permission granted for 15/2487/MRES
					16b	May 2016	Legal	Resolved tenant legal action regarding future tenancies. Legal possession secured in principle for all site (except amusements)
					16c	Summer 2016	Planning	Work commences on preparation of Reserved Matters application for phases 2 and 3, based on the original planning approval
16d		Nov 2016	Cabinet Approval	Approval to increase budget to cover increased costs in delivery of road and car park and other costs associated with project delivery. Decision to have a refresh of phase 3 vision before identifying developer/investor partners	16e	Summer 2016	Planning	Advice to secure reserved matters permission for remainder of site
17a	2017	Summer 2017	Contractor Selection	Tender process to select the contractor for delivering the road and car park	17b	April 2017	Planning	Reserved Matters for phase 2 and 3 granted. 17/0099/MRES
					17c	August 2017	Legal	Enter into Development Agreement with Grenadier Estates – Watersports Centre
					17d	September 2017	Legal	Harbour View café offered short term tenancy to September 2018 (now extended 2019)
17e		October 2017	Consultation	Grenadier public consultation on Watersports Centre				
17f		Nov 2017	Cabinet Approval	Approval to pursue temporary uses on part of the site and to appoint Dyer & Butler to deliver road and car park works				
17g		Autumn 2017	External Advisors and contractors	Tender process to select Taste of the West as partner for temporary uses and Lloyd Turner Ltd to deliver seating area and Eibe to deliver the play area and engineering works for site preparation.				
	2018				18a	January 2018	Planning	Grenadier submits planning application 18/0376/MFUL
18b		March 2018	Exemption from Standing Orders approval – external advisor	Appointment of Hemmingway Design Ltd for the visioning exercise for phase 3	18g	March 2018	Planning	Planning permission granted for temporary uses for 1 year 17/2944/MFUL
18c		Summer 2018	Consultation	Hemingway undertake Stakeholder Event and consultation for phase 3	18h	May 2018	Temporary Uses	Temporary Uses site, Queen's Drive Space, opens for business – on part of phase 3 site
					18i	Spring 2018	Feasibility advice	Tender selection process for appointing LSH as commercial property advisors to work alongside Hemingway Design Ltd
18d		October 2018	External advisors	Appointment of Lambert Smith Hampton to undertake valuation exercise to determine market value of the overall development	18j	June 2018	Planning	Grenadier planning application approved 7 th June 2018
18e		October 2018	Cabinet Approval	Approval granted to proceed with commencing works on the road and car park	18k	Nov 2018	Work on site	Work commences on Phase 1 road and car park
18f		Dec 2018		Hemingway undertakes further stakeholder event for phase 3				
	2019				19a	Mar 2019	Planning	Planning permission granted for temporary uses for a further 3 years. 18/2842/FUL
					19b	Mar 2019	Legal	Legal Agreement finalised with Grenadier Estates
					19c	May 2019	Temporary Uses	Queen's Drive Space – temporary pop up food uses/bar/events recommence on site
					19d	Summer 2019	Feasibility advice	Soft Market Testing of commercial property opportunities for Phase 3 by LSH
					19e	June 2019	Site opens	New Queen's Drive car park and road opens to the public
					19f	July 2019	Planning	Planning permission granted for temporary use of land as overspill car park for 1 year 19/0836/FUL
					19g	July 2019	Work on site	Watersports Centre – start on site
19h		Sept 2019	Cabinet approval	Dissolution of the Exmouth Regeneration Board and the Exmouth Regeneration Executive. Queen's Drive Delivery Group established.				

Queen's Drive – Chronology of Activities

CONSULTATION & AUTHORITY					PLANNING, FEASIBILITY, MARKETING, LEGAL & DELIVERY			
Ref no.	YEAR	Month Year	Activity	Detail	Ref no.	Month Year	Activity	Detail
19i				Presentation to Queen's Drive Delivery Group by the Exmouth Egg Group (28 October)				
19j				Presentation to Cabinet and to Queen's Drive Delivery Group on the background to the Queen's Drive project				
19k		Nov 2019	Public Engagement Event	Hemingway Design, Presentation of Findings.				
	2020	Jan 2020			20a	Jan 2020	Phase 3 Recommendations.	Final report submitted to the council on the findings of Hemingway Design and LSH in respect of Phase 3.
20b		Feb 2020	Cabinet Approval	See below for Resolution.				
20c		Mar 2020	Scrutiny Committee Decision	RECOMMENDED to Council that a selection panel to be established for the purpose of agreeing the selection criteria for the commercial development (Phase 3a & Phase 3b), which should be agreed in consultation with the Exmouth Queen's Drive Delivery Group. Membership of the panel to be as follows: The Leader, the Portfolio Holders for Asset Management, Finance and Economy, one EDDC Exmouth member per ward, with political balance (appointed by the Queen's Drive Delivery Group). Supporting the panel will be the Service Lead – Place, Assets and Commercialisation and Project Manager – Place & Prosperity. The panel will carry out the evaluation of the bids received following the marketing exercise with a view to making a recommendation to Cabinet in relation to the preferred bidder/operator. If no suitable external bidder is identified, the project will be referred back to Cabinet to review the entire phase 3 plan, with full public engagement. If the Council is minded to invest in a hotel or other business on the site the decision will be reviewed by SWAP to advise on risk.				
20d		Aug 2020	Full Council Decision	Refer back to Cabinet.				

RESOLVED:

1. a selection panel comprising of the Leader, the Portfolio Holders for Asset Management, Finance and Economy, an EDDC Exmouth ward member appointed by the Leader, the Service Lead (Place, Assets and Commercialisation) and Project Manager – Place & Prosperity, be established for the purpose of agreeing the selection criteria for the commercial development (Phase 3a & 3b), which should be agreed in consultation with the Exmouth Queen's Drive Delivery Group. Then carrying out the evaluation of the bids received following the marketing exercise with a view to making a recommendation to Cabinet in relation to the preferred bidder / operator. That the Strategic Lead Finance be given delegated authority to progress the rest of the actions identified in Section 6 of the report,
2. that where any Phase 3b land is not disposed of under Recommendation 1 above, any further decisions on any disposals or development proposals in relation to delivery of the open leisure spaces/public realm would remain with the Cabinet and a separate report to be brought to Cabinet,
3. that if, following the marketing exercise, there was an opportunity for the council to be involved in direct investment and/or delivery of new development on the site, that this would be assessed through the Commercial Investment Framework process before being reported to Cabinet,
4. that delegated authority be granted to the Strategic Lead Finance in consultation with the Leader and Portfolio Holder for Asset Management to oversee delivery of further popular temporary attractions on Queen's Drive Space during the 2020 season, and

Queen's Drive – Chronology of Activities

5. that the Exmouth Queen's Drive Delivery Group sits in public as from 1 March 2020 with Parts A & B agendas as required. (continued over....)

REASON: To enable the final phase of the Queen's Drive redevelopment project to complete the thorough independent scoping process that had been underway for the last 2 years since the council decided to undertake to refresh the vision for Queen's Drive phase 3 in 2016. To progress to the next stages of delivery. To ensure that the popular Queen's Drive Space could continue to offer a range of leisure and free play activities for local residents and visitors to Exmouth throughout 2020.

Report to: Exmouth Queen's Drive Delivery Group

Date of Meeting 17 November 2020

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Exmouth Queens Drive Cost report

Report summary:

A request was made at the last meeting of the Delivery Group for the financial position of Queens Drive Project to be presented.

Project reports and financial information has been presented on an ongoing basis to the Capital Strategy and Allocation Group in their role of monitoring key projects of the Council. Presented in this report is a more detailed financial analysis for the Delivery Group to consider.

Recommendation:

To note the financial position of this project

Reason for recommendation:

A request was specially made for this information to be presented.

Officer: Simon Davey – Strategic Lead Finance sdavey@eastdevon.gov.uk

Portfolio(s) (check which apply):

- ☐ Climate Action
- ☐ Corporate Services and COVID-19 Response and Recovery
- ☐ Democracy and Transparency
- ☐ Economy and Assets
- ☐ Coast, Country and Environment
- ☒ Finance
- ☐ Strategic Planning
- ☐ Sustainable Homes and Communities

Financial implications:

These are included in the main body of the report.

Legal implications:

There are no legal implications requiring comments.

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk; [Click here to enter text on risk considerations relating to your report.](#)

Links to background information [Cabinet Report November 2016](#)

Link to [Council Plan](#):

Priorities (check which apply)

- ☒ Outstanding Place and Environment
 - ☐ Outstanding Homes and Communities
 - ☒ Outstanding Economic Growth, Productivity, and Prosperity
 - ☐ Outstanding Council and Council Services
-

Report in full

1. Background

- 1.1 The capital budget agreed by Council for Queen's Drive Site (Cabinet Report November 2016 contains details) was £3.120m. This was an increased revised budget approved to enable the project to continue with specific recommendations to approve Phase 1 of the project (road and car park) and Phase 2 (Watersports Hub) and the associated costs including preparation and consultation costs required to prepare for Phase 3.
- 1.2 The Cabinet report highlighted a number of scenarios to part fund the overall budget depending on any grants to be received, likely capital receipts to be obtained from the final phase (Phase 3) and increased revenue income from business rates on development/s and increased car park receipts. There was however a high level of uncertainty around these funding streams, particularly the grants and decisions yet to be taken on the Phase 3 development; therefore the capital programme assumed no direct capital funding would be received. The financial comment on the Report stated this position in the programme could be updated as it became clearer, but the worst case scenario was the one used in the financial budgets of the Council taken forward.
- 1.3 No grant income was received (applications were unsuccessful) and the level of any capital receipt will depend on the Council's decision on how Queen's Drive Phase 3 is to progress. As an aside the net income to be received by the Community Interest Company (CIC), once the water sports centre capital costs have been repaid to Grenadier, will be ring fenced for community projects in Exmouth through the CIC.
- 1.4 Spend to date, with virtually all elements delivered that the budget was approved for, is £3.060m. When projects are considered for approval they are considered on a case by case basis but once approved and included in the Council's capital programme the funding of capital expenditure is taken for the Council in totality and not tracked on a scheme by scheme basis. All capital resources available are used to fund the overall position.

2. Capital Project Cost Report.

2.1 Cost to date on this project are £3.060m (with an approved of £3.120m);

Queens Drive Capital Cost Report	
ITEM	Expenditure £000
Phase 1 project management, design & supervision	315
Site surveys (phases 1 and 3)	47
Compensation to businesses & legal fees for litigation costs	166
Engineers costs (site safety) + site restoration	28
Demolition phase 1	60
Professional and marketing fees phase 3	37
Construction costs phase 1 road and car park	1,686
Reserved Matters Planning application (ph 2 & 3)	74
Design Fees phase 3 consultation work	44
Contingency for fees used	40
Legal fees Trowers & Hamlin	40
Recharge costs - Internal staff costs charged to project	100
Miscellaneous	25
Demolition and site clearance phase 3	73
Temporary Uses Phase 3 - set up costs	325
Total	3,060

3. Queens Drive Space revenue budget

3.1 In addition to the capital costs the Council has incurred annual revenue costs since 2018 for the running of Queen's Drive Space. The net budget approved for the current year (2020/21) is £50,000. When originally approved this was seen as a temporary budget until decisions around the Phase 3 of the overall project were made, there was consideration that future delivery of such activities could be funded through income streams obtained in

Phase 3. Through the implications of Covid-19 and restricted activities on site it is projected that there will be savings in the current year budget.

- 3.2 A report for members consideration on Queen's Drive Space is included on this agenda.

Queen's Drive Space Temporary, Meanwhile Uses as part of the Queen's Drive Redevelopment Overview of last 3 years to assist Members in providing direction to Officers for 2021

Purpose of Report

This report provides a brief overview of the activities and management arrangements put in place for the site over the last 3 years, along with details of the financial performance. It highlights key considerations for next year. This information is to enable Members to make informed decisions about a way forward and to provide instruction as to what the Delivery Group wish to be provided on the site next year.

Background

Queen's Drive Space is what is known as a 'Meanwhile Use' put in place for a temporary period whilst the Queen's Drive visioning exercise took place and the redevelopment moved forward in its various phases. Cabinet approved the proposal for the temporary development in November 2017 committing to ensuring that the site was utilised for a mix of play and leisure activities including free play facilities, pending the delivery of the permanent vision for phase 3. Designed to be only a temporary measure, the site was zoned to make use of the existing layout, in situ pathways, boundaries etc. Delegated authority was given for the Deputy Chief Executive in consultation with the Portfolio Holder for Economy and Strategic Lead (Governance and Licensing) to take forward and deliver plans for temporary uses.

The Queen's Drive Space offer was put together by a multi-disciplinary team across many services within the council, and utilising external professional support and contractors where necessary. The site opened in May 2018 and the principal activities on the site have been the free play, the food and beverage offer and the events.

Planning

Planning permission (conditional) was granted for the temporary use (as zoned) until 31st March 2022.

Premises Licence

The food, beverage and events areas have a premises licence.

Free Play

This was commissioned by the Engineering Team at EDDC and has been a very popular feature on the site. This is managed by StreetScene who are responsible for all Council play areas.

Food and Beverage

In 2018 the food offer was managed by Taste of the West who recruited individual traders to operate from the site. A few traders were fixed for the season, (about 5), and others came and went for particular weekends/events. The management of this was very intensive both for Taste of the West and internally for Officers, in part due to this being a new destination and new venture for all concerned. In 2019, we tendered for just 4 food traders to operate throughout the season. We appointed an events consultant (Andrew Hopkins) to manage the site for us in 2019. We have

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tested different approaches to managing the charging process to traders, with a flat rate for the season being the most effective. At the end of 2019 it was agreed to continue with the same traders for 2020, but advised them that this was only for 1 more year (i.e. 2020) and that if the site were to be operational again in 2021, the trader offer would be retendered.

The Bar was operated by Oddfellows for the first 2 years. We tendered this earlier this year and LED Enterprises Ltd are now operating the bar. They opened in July this year and have therefore only had a short season. We have found a positive level of communication working with LED on this. Their lease terminates at the end of January and depending on what operations are required by Members on site for 2021, this could be renewed or the opportunity can be marketed again.

Events

The decision to put on a programme of events was a new venture for the council and has generally been well received. In 2018, the team was supported by Carla Highley, Events Officer at the Town Council, who worked with the Team part time and curated an events programme.

In 2018, events included:

- Free attendance by nearly 600 people at 3 live screenings from Royal Opera House;
- 8 films attended by 770 people
- 3 theatre companies gave performances enjoyed by over 100.
- 2 summer sessions with free live music on 2 Saturday afternoons
- Live performance by Exmouth Shanty Men and from further afield, the Australian Shanty Men who were on their UK tour.

Film nights had mixed success, depending on the offer. The Greatest Showman could have sold more than the 400 tickets and had a second night. Others did less well. The theatre nights were not so successful, in part due to lack of marketing and promotion which had been difficult to achieve in such a short space of time. Music events were mixed, again mostly due to lack of marketing and awareness which was a timing issue. Members of the community helped out with leaflet distribution for the events.

In 2019, the events programme grew significantly, with more organisations coming forward to organise their own event in the space.

Details of events held:

- 70 events held during the season
- 45 events enabled and assisted by the Events Consultant
- 20 events directly organised by the Events Consultant
- 804 people attended the Royal Opera House Screenings
- 1,190 people attended the Open-Air Cinema Screenings

A diverse event programme was curated catering for all ages which included free Royal Opera House screenings; film nights hosting an Exmouth Chamber of Commerce networking evening, the Deaf Academy Colour Bomb event, Centre Stage Pirates of Penzance, a free cinema event for over 300 Primary School children in Exmouth, RNLI Maer Rocks, Best of Rum and Reggae Festival, Paws for the

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Cause, Wild Exmouth Story Telling, welcome events for international students attending Mountlands Language School, Whizz Kids cycling events, circus skills events and more.

A difference between 2018 and 2019 was that more organisations were coming forward requesting to use the events space to hold their own events.

Site Management

We have had different approaches over the 3 years. Management of the site has been more intensive for EDDC staff resource over this summer and we have missed the resource of our Events Consultant who (due to there being no events) was diverted to support other teams at EDDC. Queen's Drive Space was developed and designed as a temporary and meanwhile use during the Queen's Drive redevelopment, as such, it was not intended to be an ongoing, long term management resource issue. However, if a similar operation is required for summer 2021, consideration would need to be given as to how the site will be managed on a day to day basis based on current staffing resources and conflicting priorities.

Seating Area

This was designed and installed by an external contractor. It was constructed using recycled timbers from old pallets and designed only for a short life span. It is now showing signs of ageing and has become unsafe to use. A quote has been received from the original contractor for a mix of replacement and repair with a cost of between £17,000 and £27,000 (details available if required). The contractor however, is not available to carry out any repair work until late spring 2021 due to other work commitments. If it is desirable that the area be used for seating again in 2021, a decision needs to be taken on how to proceed with repairing/replacing the seating offer. A more affordable option could be explored such as removing the seating and replacing with picnic benches. The walkways could also be removed. Appropriate provision could be made for wheelchair users to access the area. Some installations could be saved such as the canopies.

Financial Information

In autumn 2017, a capital budget of £300,000 was made available to create the temporary uses offer. Details of this expenditure are captured within the overall Queen's Drive budget (£3.1m).

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A revenue budget has also been provided. A summary for the last 3 years is provided below.

	2018	2019	2020 (to date)
EXPENDITURE			
Total Employment Costs	£ 5,000.00	£ 18,890.00	£ 3,310.00
Total Premises Costs	£ -	£ 28,337.00	£ 12,013.00
total Event Costs		£ 32,917.00	£ 1,075.00
Total marketing costs	£ -	£ 2,271.00	£ 588.00
Total Supplies & Services	£ 30,051.00	£ 11,446.00	£ 1,843.00
TOTAL EXPENDITURE	£35,051.00	£93,861.00	£ 18,829.00
INCOME			
Ticket Sales	£ 7,106.00	£ 7,357.00	£ -
Events	£ 3,087.00	£ 632.00	£ -
Sponsorship	£ 7,500.00	£ 3,000.00	£ -
Rent from Food traders & bar	£ 7,756.00	£ 23,647.00	£ 10,981.00
Service charge from Food traders & bar		£ -	£ 5,251.00
Facilities/Deposit		£ 1,257.00	
TOTAL INCOME	£ 25,449.00	£35,893.00	£ 16,232.00
SURPLUS/LOSS	-£ 9,602.00	-£ 57,968.00	-£ 2,597.00

Notes

1. For 2018, this is not a true picture of the running costs of the site as some would have been absorbed by the capital budget.
2. The 2019 figures provide a more accurate reflection of the site running costs for a fully operational season.
3. There is more expenditure for 2020 to be added e.g. recharges from other services for site maintenance and repair, utilities. Some more income also.

2020 – Covid-19 Pandemic

The impact of Covid -19 upon the opening, operation and offer on the site during 2020 has been significant. There have been no events organised on the site but traders did open on the site when lockdown restrictions were eased. The free play offer and open access seating area has remained popular, particularly during this most difficult and challenging of years.

The considerations for next year (2021)

1. Need for repair and / or replacement of seating area. This could include the removal of most of the existing seating area structure (keeping what is feasible to retain, such as the canopies) and replace with picnic benches.

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2. Options for food offering for next year, if Members wish to continue with this. This could go out to tender to identify a number of food and beverage traders – indeed traders had been informed that this would be happening. Consideration should be given to the number of traders on the site and the mix of offer; this will impact upon the financial value of the opportunity and management arrangements (a lower number of traders, could ensure that there is sufficient business for all). Review of budget and charges for food and beverage operators (as QDS is becoming established as a visitor destination, the value of the trading opportunity may have increased).
3. Site management arrangements and options need to be explored for next year to ensure good service is maintained – this may or may not include intensive use of EDDC Officers.
4. Is a bar still required for summer 2021? The options could be to continue with the existing offer (the current arrangement was tendered in March 2020 and the current lease expires at the end of January 2021) or the opportunity could be put out to tender again.
5. Do members wish to review the charging for events?
6. The Events Team (Streetscene) could run an events programme if an agreement is reached and resources allow (see note below regarding financial resource).
7. If the temporary meanwhile uses continue to be offered on a similar basis to last year, Members will need both capital budget, revenue budget (acknowledging the net cost to EDDC) and management resources to facilitate delivery. Based on previous years of expenditure and income, if Members are minded to pursue temporary meanwhile uses for summer 2021, there will be a need for a capital budget for necessary repairs (to be determined based on Member instruction) along with a revenue budget of approximately £60,000, plus additional EDDC resourcing (Legal, Property and Estates, Streetscene etc.) There is currently insufficient resource within the Place, Assets and Commercialisation Service to take forward the development and implementation of proposals for 2021 in a similar way to previous years. Once Members provide a direction of travel we will then be able to explore how to resource delivery and management.

Moving Forward

Given the above information and considerations, The Exmouth Queen's Drive Delivery Group are asked to provide instruction as to what they wish to happen next year.