

Full Business Case: Southbourne Seafront Leisure Scheme



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1. Introduction

This business case sets out a bold vision to establish a new year-round destination visitor attraction and local amenities on Southbourne's Blue Flag award-winning seafront.

The present 'Bistro on the Beach' building will have reached the end of its economic life when the current restaurant tenancy finishes in March 2023, and will no longer be viable to repair. This will create a permanent £104k budget pressure on the Council's Medium Term Financial Plan MTFP.

The proposal is to replace this building with a new multi-functional facility on the same footprint. Key features of the proposed new offer include:

- A fully accessible pedestrian walkway from the car park, nestled in the cliff, to a platform with commanding views and interpretation of the bay and a lift down to promenade level, transforming and opening up access to Southbourne promenade with the first new cliff lift facility since 1935.
- A new restaurant at promenade level with extensive external dining terrace and bi-folds to open up the inside of the restaurant to the beach in summer.
- New public toilets and beach office.
- At first floor level, 16 brand new Beach Lodges, offering short stay holiday accommodation for up to four guests and featuring kitchens, bathrooms, heating, wifi and tv. The lodges would be a more premium version of the successful Bournemouth Beach Lodges operation at Manor Steps and would be powered with solar energy.
- A spa / treatment room facility for the exclusive use of Beach Lodge guests.

This new destination offer has been designed to transform Southbourne beach into a genuine year-round visitor offer with public amenities to improve access for local residents too.

This business case sets out an invest to save scheme (borrowing rate of 5.5%) to establish new income streams which will pay for the scheme, cover the MTFP budget pressure and generate a positive return over 25 years. The 25 year cash flow (see appendix 2) also includes reinvestment to maintain the building to a high quality over this period.

The project presents an ambitious response to the opportunities for growth in domestic tourism 'staycations' identified both immediately prior to covid-19 and anticipated to accelerate once the economy opens up by 2023.

The lodges would offer a premium eco-friendly, experience focused short stay holiday on one of the UK's top award-winning beaches and maximise the value of a key Council-owned asset.

The project meets the strategic ambitions set out by the Council's Corporate Plan and adopted Seafront Strategy, as well as the Government's Industrial Strategy and will play an important role creating new jobs and helping the conurbations' £1.1 bn tourism economy get back up onto its feet.

The business case follows the format of HM Treasury Green Book 5 case Business Case.

2. The Strategic Case

This section sets out the strategic case for the project – the rationale for undertaking the project.

The Project

The current leisure building at Southbourne seafront comprises the Bistro on the Beach restaurant, a beach office, store, public toilets, a kiosk and 25 day use beach huts on the first floor. The building was constructed forty years ago along with two further double storey blocks of day-use beach huts. The two additional blocks of beach huts were demolished in 2014 due to the poor condition of the buildings and were replaced with a row of 21 'super huts' in 2017.

The principal building containing the Bistro restaurant is subject to an annual condition survey which has highlighted the structure is in a very poor state with structural steels rusting within a concrete encasement. It has been concluded that the building has reached the end of its serviceable life, being considered uneconomic to repair.

In 2019/20 the restaurant generated a turnover of £1,086,470, up considerably year on year over the previous two years. This in turn generated a net rental return to the Council of £77,446. Additional income included £27,266 from the 25 day huts.

The Council's total net income from the site was: £104,712 in 2019/20. Going forward, this income will dwindle to nothing if the building is not replaced from 2023. The current structural condition means that the Council is not in a position to re-tender the restaurant offer or extend the current lease operation beyond 2023. This will create an ongoing budget pressure for the MTFP.

The current tenancy of the Bistro restaurant is due to expire in March 2023. In order to maintain continuity of operation and the smooth re-tendering, a decision to re-tender needs to be formally decided by **Spring 2021 at the latest** in order to give the current tenant due notice and prepare the re-tender to market.

Should the preferred option to replace the building with a new facility be taken, as set out in this business case, work to deliver the scheme will need to commence by **October 2020** for a **May 2023** opening. It is anticipated that project spend could be minimised in 2020/21 to officer time as tenders are prepared.

The Project:

It is proposed to establish a new destination leisure attraction within the site of the current 'Bistro' building. The new facility would consist of:

- Beach office, public toilets, store
- Larger restaurant with up to 120 internal covers and 100 external covers plus a separate kiosk
- 16 overnight stay beach lodges for short term holiday rental
- A spa facility
- A 12-person capacity lift linked by walkway to the cliff top car park, providing full access to the promenade

Full concept design to RIBA stage 2 can be found by following this link:

https://bcpcouncil.sharepoint.com/:b/s/TourismDev/ESRZUCOOe5dFkWJaTcumW_cBGEJr6UdtsUzJiysk5VhCJw?e=a7ZyXI

A detailed three dimensional CGI model can be viewed here, with select screenshots below:

<https://sketchfab.com/3d-models/bistro-on-the-beach-concept-revb-62759c55f29048d3b4b2d81424b15e8b/embed>





Transforming access to Southbourne's Blue Flag beach

The facility would, for the first time since commercial development of this beach in 1885, make Southbourne promenade fully accessible to all. The nearest cliff-lift at Fisherman's Walk being located one mile to the west. The lift would also enhance the commercial prospects for the restaurant and beach lodges to function year-round, making the facilities easier to access for all from the car park in the evenings and during the winter months.

Alignment with regional and local strategies

The **Council's Corporate Strategy** sets out a vision to establish vibrant communities with outstanding quality of life where everyone can place an active role.

This prioritises five themes:

- Sustainable Environment
- Dynamic Places
- Connected Communities
- Brighter Future
- Fulfilled Lives

The project address two of these themes:

Sustainable Environment SDG 12: Maximise access to our high-quality parks and open spaces by working with partners to increase the accessibility and diverse offer for parks and open spaces, increasing the number of visitors. This is achieved by:

- Introducing year round fully accessible lift service from the cliff top car park to the promenade, improving the ability for visitors and residents to access the Blue Flag beach at Southbourne

Dynamic Places SDG 8 / 10: Create a sustainable, vibrant and inclusive economy by supporting tourism, one of the five key sectors, to become more sustainable and increase productivity and reward. This is achieved by:

- Replacing lost revenue from the current restaurant offer, by reinvesting in the site. This revenue would be **lost** if the **do nothing** project option is pursued.
- Deliver a unique new year-round destination visitor attraction in the form of holiday accommodation, spa and restaurant adjacent to a Blue Flag beach, reducing seasonality and improving productivity of the asset.
- Attract new audiences and holiday makers to BCP area supporting the wider tourism economy and the local high-street economy of Southbourne in particular
- Generate new income streams from the Beach Lodge and Spa facility for the Council, and uplift car park revenue, enabling invest to save and safeguard essential services

Seafront Strategy

Feasibility development of the proposals in this business case was funded by BCP Council in November 2019.

The development opportunity was first articulated in the Bournemouth Seafront Major Projects Plan in 2010. This was later incorporated, following extensive stakeholder and public consultations into the Bournemouth Seafront Strategy which was adopted by Bournemouth Council in 2013.

In 2020 a BCP Summary Seafront Strategy Statement was adopted. This brings together the existing seafront strategies and development aspirations under one umbrella to provide a conurbation-wide strategic setting for coastal leisure asset development. The BCP Summary Seafront Strategy Statement aligns with the Council's Corporate Plan.

The vision for the seafront is to create a World Class Seafront, promoting investment, wellbeing and sustainability. Strategic Aims to achieve this vision are:

- Conserving and enhancing the natural coastal environment
- Sustainable investment in facilities, access and infrastructure
- Unlocking the potential for new leisure attractions to encourage local economic growth and year-round visitor footfall
- Maximising income potential to support Council services

The project addresses all four strategic aims by:

- Improving access to the natural environment, via the lift. The viewing point at the top of the lift access tower will feature panoramic views and interpretation of the local environment
- Reinvestment will protect existing leisure facilities from being degraded
- Introduces new year-round destination facilities to Southbourne beach
- Preserves existing Council income streams and introduces new income streams from the beach lodges and spa.

The visitor economy and Covid-19

Prior to the lockdown introduced by the Government in late March 2020 in response to Covid-19, the BCP area was one of the UK's most productive and competitive coastal resorts attracting 12,629,000 annual visitor trips. Visitors spent £841,231,000 in the local economy and £1.1 billion in

business turnover. This supported around 18,896 jobs¹, making the tourism sector larger than Advanced Engineering (£803m added value supporting 17,300 jobs), over twice the size of the creative tech sector (£363m supporting 3,800 jobs) and seven times the size of the agri-tech and aquaculture sector covering the whole of Dorset (£108m supporting 700 jobs).

In addition, the conurbations 12.8 miles of award-winning seafront offered a much-loved leisure space for nearly 400,000 residents. The seafront is known for its high-quality environment, acknowledged by 23 beach awards, including 9 Blue Flags of which Southbourne beach is one.

Prior to Covid-19, the Government published a Tourism Sector Deal in 2019 as part of the Industrial Strategy in an effort to help boost productivity, job creation and export growth. Tourism was a UK top 5 export sector (£27bn) with a domestic industry worth £130bn and featured two thirds of inward investment in the European hotel sector coming to the UK (£7bn).

Covid-19 impacts on Tourism and Hospitality

The government imposed shut down of the economy and active discouragement of tourism in order to combat the spread of the virus has had a profound impact on the tourism and hospitality sector. BCP Council is actively encouraging residents and visitors to stay away from the seafront. BCP and Dorset Councils have undertaken a joint survey of tourism businesses to understand that impact in detail. A copy of the first survey report can be found at **Appendix 6**.

As of early May 2020, around 83% of businesses across tourism and hospitality have temporarily closed with the majority of staff furloughed. The lock-down having occurred at the start of the visitor season has meant that businesses had limited cash reserves to start and are now facing a cash flow crisis. Immediate support has come in the form of:

- Coronavirus Job Retention Scheme
- Rates relief
- Retail, Hospitality and Leisure Grates
- Business Interruption Loan Scheme

The longer the current restrictions remain in place then the prospects for long term business survival diminish. Local tourism and hospitality business operators believe that if restrictions remained in place till September then only 44% of businesses would survive. On this scenario, 83% of surviving businesses currently believe it would take more than 6 months to return to profitability with 51% estimating it may take more than a year. The loss of the 2020 summer season is estimated to result in a loss of some £652m in visitor spend to the BCP area, with direct impacts on supply chain.

It is clear that, at least until a vaccine has been introduced, the industry will have to adjust to a 'new normal' involving greater social distancing restricting capacity numbers within restaurants and occupancy within guest accommodation as well as increased management costs especially around cleaning regimes and PPE equipment for staff.

This will have a direct impact on rental values with knock on impacts for landlords. We will certainly see a reduction in income for the Southbourne site for 2020/21 compared to previous years.

¹ 2018 Visitor Volume and Value Report prepared for BCP Council by South West Research Company (most recent data available)

Whilst it is hard to predict with accuracy when the economy will return to normal or a new normal, the Southbourne project does benefit from the fact that the soonest it could become operational is summer 2023. It is to be hoped that a vaccine or other measures should have taken effect by then. It is critical, therefore, that decisions around this business case should fully consider the opportunities for recovery and growth in 2023 rather than the economic crisis in 2020.

Post-covid

Prior to Covid-19, the Dorset Tourism Study (Jan 2020) prepared by the Dorset Tourism Association with support from the BCP Council and the Dorset LEP identified a strategy of growth for the tourism sector. 72% of tourism businesses within Dorset were looking to grow. Improving productivity was seen as a priority for 74% of businesses, believing the way to achieve this was through attracting more visitors off-peak and reducing the impacts of seasonality. The year-round destination proposals for Southbourne embrace this challenge.

The BCP tourism and hospitality industry is well placed to bounce-back from Covid-19 and there are some strong grounds for optimism around market growth. The draft deposition to the DCMS enquiry by the BCP Destination Management Board for the tourism and hospitality sector highlights a pathway for the future of the industry:

- Adaptation of communications and PR messaging, providing assurances that the destination is a safe place to visit
- Getting local residents on board with the resumption of tourism activity, noting resident concerns around large numbers of visitors returning, potentially re-infecting the local population with the virus
- Visit England consumer sentiment research (April 2020) identifying coastal and the South West in general as being the top destinations domestic (UK) holiday makers are considering re-booking post-covid. Those most likely to replace an overseas holiday with domestic holiday (staycation) are aged 34-55
- In recent decades, coastal resorts have faced increasing competition from city destinations for short mini-breaks and day trips. The Visit England report highlights that when domestic consumers are considering locations for future replacement holidays, 32% are considering seaside destinations compared to 13% considering cities.

BCP's tourism sector has an opportunity to take advantage of a post-covid increase in staycations as domestic tourism becomes more competitive in the face of likely increased cost of overseas holidays and flights due to social distancing requirements.

In order to capitalise on turning a short-term bounce in demand into a longer-term trend, the resort will need to focus on improving the quality and range of visitor experiences, driving repeat visits. The focus will be on quality, authenticity of experience and environmental sustainability as many visitors continue to value the impact of their travel on the planet. The proposals for Southbourne are well placed to meet this emerging opportunity with an innovative and sustainable destination experience that builds on the success the Council has achieved with the Bournemouth Beach Lodges offer at Manor Steps and takes it to the next level.

Bournemouth Beach Lodges

Between 2017 – 2019 the Council constructed a two-phase development of short-term holiday let Beach Lodges at Manor Steps. The combined development of 24 properties nestled in the cliff at Manor Steps, approx. 2.5 miles to the West of Southbourne, is operated in-house by the Council's

Destination and Culture team and offers mid-week and weekend breaks throughout the year for up to six guests per lodge. Each Beach Lodge features a small kitchen, shower and WC, heating, wifi and tv. Since opening at Easter 2017, the Beach Lodges have welcomed over 3,400 staying groups and achieved a year-round occupancy of around 73%. During the peak season, occupancy rises to 100%. The lodges have exceeded all expectations in terms of income, generating a net return of £520k to the Council in the 2019/20 budget statement, and high quality customer feedback with 5 stars off 149 tripadvisor reviews: https://www.tripadvisor.co.uk/Hotel_Review-g186262-d12199947-Reviews-Bournemouth_Beach_Lodges-Bournemouth_Dorset_England.html

The investment at Manor Steps enabled improvements in public amenities enjoyed by locals and day visitors. These included refurbished public toilets, a new, more accessible kiosk and public realm improvements. Additionally, the development has turned the site into year round occupation which has helped to drive down localised anti-social behaviour and vandalism of private beach huts.

The Destination and Culture team have identified with this business case an opportunity to expand on the success of the Bournemouth Beach Lodges, improving the offer through increasing quality and price-point in a way that will differentiate and ensure the new scheme does not risk impacting on demand for the existing lodges.

Following consumer feedback after three years of operation, the team have identified key opportunities with the Southbourne proposals to upgrade the new offer further. These include:

- Maximum of four guests per lodge, as opposed to six at Manor Steps. Analysis shows 91% of bookings since 2017 have been for groups of 4 or less. The new Lodges at Southbourne will have the same internal space as the existing lodges but feature two fewer beds, increasing overall internal space and contributing to a more premium feel along with uprated internal fixtures and furnishings.
- Convenient car parking: a consumer criticism of the Manor Steps lodges is the distance from parking the car to accessing the lodge. These issues are addressed at Southbourne with the existing car park nestled within the cliff directly behind the lodges. A level footbridge will connect the car park with a lift within the building stopping at the first-floor beach lodges and ground floor promenade and restaurant level.
- Additional minor improvements around internal specification within the kitchen and a skylight, enabling guests to sleep beneath the stars and within earshot of the ocean will add to the experience.
- The spa facility and viewing point at the top of the lift tower will provide flexible spaces for additional activities adding value.
- It is envisioned that the restaurant could potentially offer deliveries to guests doors
- Combined, the range of facilities on offer could appeal to new markets including beach weddings and corporate activities
- A review of existing booking processes has identified opportunities to increase income and profit margins through a more flexible minimum two-night stay offer, outside of the peak season. This should contribute to a slight reduction in management costs with changeovers spread more evenly through the week
- Introduction of active pricing which would flex in response to demand could also be introduced, although this would require some investment in developing a new online booking system.
- And for the Council, the day to day operating costs for the new lodges should be lower with the introduction of solar panels to offset power consumption, reducing the carbon footprint of the development.

- A key part of the formula for success of the beach lodges to date has been the avoidance of advertising on price comparator booking sites who take a fee on every booking made. The Beach Lodges may only be booked direct via the Bournemouth Beach Lodges own website. This has enabled the lodges to maintain a distinct position in the marketplace and avoid a race to the bottom on pricing.

As has been proven with the Manor Steps development, it is envisaged that the new year-round destination offer at Southbourne should drive down anti-social and vandalism issues, improving safety for all promenade users including residents especially in the evenings and at night.

Significant opposition to the first phase of beach lodges at Manor Steps was raised by local residents at the time of the initial planning application, resulting in a petition highlighting fears that the lodges would lead to increased anti-social problems from hen and stag parties as well as disruption for existing private beach hut tenants. These legitimate concerns have not materialised to any significant degree, with the lodges appealing strongly to a family audience. After a year of operation, a second phase of lodges was submitted for planning consent and saw very little objection.

It is to be assumed that some of the same concerns may be raised in objection to the proposal for Southbourne, for which the Council will be well placed to address via the example at Manor Steps.

SMART objectives and outcomes for the project

SMART stands for specific, measurable, achievable, realistic and timely

Specific: – To deliver the project on time, on budget and to agreed quality as set out in this business case. The objectives of the realised asset are to safeguard existing revenue from the site by redeveloping a facility that has reached the end of its viability; establish new revenue streams for the Council to support vital services elsewhere; introduce a year-round tourism offer and increase visitor footfall and spend.

Measurable – The measure for performance success will be net income achieving or exceeding the projections within this business case; visitor footfall, spend and satisfaction improving by 10% in 2023 over baseline data established within the 2019 BCP Seafront Visitor Survey. This will be measured in a subsequent seafront visitor survey.

Achievable – The measurable objectives are benchmarked via a dozen coastal leisure regeneration schemes delivered by Destination and Culture team members over the past 5 years. These projects have included all of the elements contained within the Southbourne scheme such as restaurants, cafes, kiosks, beach lodges and public realm.

Realistic – Income projections and occupancy for the beach lodges are informed by review of three years operation of the Bournemouth Beach Lodges; a horizon scan of relevant examples elsewhere; review by independent hospitality consultants and consumer feedback. Projections for the restaurant and kiosk are informed by independent review by market agents; analysis of commercial leases and restaurant operations across BCP's seafront estate; and informal discussion with existing seafront operators to test assumptions. The financial case sets out a series of best and worst case scenario projections and includes sensitivity analysis to take account of covid-19 impacts.

Timely – Subject to business case approval by August 2020, securing planning consent and agreements with the current tenants on the site, it would be practical to deliver the scheme by May 2023. We assume that the construction industry and its supply chain would be in a position to tender for works in early 2021.

Dependencies and risks

Delivery of the project will be dependent on successful negotiation with the sitting tenant in order to mitigate impacts on the current restaurant operation during the demolition and construction phase. This may involve either early surrender of the lease or establishment of a temporary offer during 2022 while the scheme is under construction. Alternatively, the project could be delayed until the current tenancy terminates in March 2023. This would mean the new facility coming online in 2025.

14 annual council beach hut tenants would lose their licences as the huts would be demolished to accommodate the new development. It is unlikely that the Council would be able to re-accommodate these tenants in Southbourne, due to a lack of alternative sites.

Wayleave and licence agreements would have to be reached with Wessex Water and SSE around their pumping station equipment located within a store at one end of the current building. It is intended to re-locate this equipment within the new development but close co-operation and co-ordination with the companies would be required.

Key risks include assumptions that Covid-19 economic and health impacts will be on the road to recovery by summer 2023. It is also assumed that the construction industry and its supply chain will be ready to respond to tenders issued in 2021.

Key design and construction risks around service diversions, cliff stability and piling requirements and planning consents can be achieved and managed. Appropriate mitigations are covered within the Strategic Risk Register at **Appendix 4**.

Political and Stakeholder support will be required and maintained throughout the duration of the project. The construction period is estimated to last at least 18 months which will mean Southbourne beach will be without some facilities for at least one season. Mitigation measures to ensure public access to the beach is maintained and some temporary catering facilities are available will be explored. Public toilets on the seafront within close access at Warren Edge would remain open throughout.

Market Failure

Covid-19 is, in a sense, an induced market failure designed to address the critical health needs of the nation and to protect the NHS. Once the crisis is over it is anticipated the market will bounce back, although the return to a new normality may see some lasting impacts around consumer behaviour and expectations. It is also probable that spend patterns will be affected by economic recession for some period of time.

This business case considers the option of developing the scheme to outline planning only and offering out to the market to develop, deliver and operate the scheme. This option is possible but analysis identifies that it would generate a much lower return for the Council, resulting in a permanent reduction in net income compared to the current offer, albeit with none of the development and cost risks. The lower return is in part driven by the Council's ability to fund the

project at a lower borrowing rate than the commercial sector, enabling a faster return on investment.

Benefits

The main benefits of the project are:

- Creation of new jobs in tourism and hospitality as well as safeguarding existing jobs
- Increased productivity (GVA) through development of a year-round offer
- Increased visitor numbers particularly in the shoulder season, staying longer and spending more. Emphasis here may be on higher spend and lower volume of overall visitors as the tourism sector contends with a post-covid world
- New destination offer, improving access to the beach

Stakeholder Support

Redevelopment of the Southbourne site to create a new destination offer was consulted upon as part of the Bournemouth Seafront Strategy development. Further engagement with local residents and key stakeholders would be required, should this business case be approved, as part of the next stage for project development.

3. Economic Case

This section sets out the economic case for the project, considering the cost and benefits of the scheme.

Critical success factors

3.1.1 The critical success factors for this project are the following outcomes:

- Project delivery on time, to budget and quality as set out in this business case
- Replacing existing income stream to the Council from the site
- Establishing new net income stream over and above cost of borrowing to deliver the project, as set out in this business case
- Increasing productivity and asset realisation, developing year-round footfall and spend
- Achieving 74% annual occupancy levels for the beach lodges as set out in the modelling within this business case
- Increasing visitor spend to Southbourne beach by 10% by 2023, as measured by Seafront Visitor survey using 2019 results as baseline.
- Improve access to the beach for all, via new lift facility from the clifftop car park, increasing % of visitors with accessibility needs by 20% by 2023 as measured by Seafront visitor survey using 2019 results as baseline.
- Securing a tenant to operate the new restaurant and kiosk

Project Options Appraisal

Option 1: Implement Proposed Project (*Preferred Option*)

In Scope	Out of Scope																																
Comprehensive redevelopment to establish new restaurant, kiosk, public toilets, beach office, 16 beach lodges, spa facility and accessible lift / bridge link from car park to promenade	n/a																																
Expected Cashable Benefits (£k)	Expected Financial Cost (£k)																																
Addresses £104k MTFP pressure and delivers a further £2.5m surplus over 25 years. Should the covid risk diminish by 2023, the net surplus may increase by £140k a year (an additional £3.5m over 25 years) Additional income expected to Warren Edge Council car park which is currently largely empty outside of peak summer holidays	£6.84m (funded through borrowing)																																
Expected Non Cashable Benefits	High Level Breakdown of Costs																																
<ul style="list-style-type: none"> - New public amenities including full accessibility to beach - Premium year-round visitor attraction, drawing new visitors to the conurbation, contributing to wider economic spend. - Safeguards existing public amenities (toilets and beach office) which might otherwise be lost when building closes down - Year-round use of the beach by families staying in Beach Lodges and more accessible year-round restaurant offer will make for a safer promenade environment for all - Improved visitor satisfaction rates for Southbourne beach (see current visitor survey results) 	<table border="1"> <tbody> <tr> <td>Demolition</td> <td style="text-align: right;">£215,000.00</td> </tr> <tr> <td>Shell & Core Works</td> <td style="text-align: right;">£2,260,000.00</td> </tr> <tr> <td>Fit Out Works</td> <td style="text-align: right;">£1,150,933.00</td> </tr> <tr> <td>External Works</td> <td style="text-align: right;">£670,000.00</td> </tr> <tr> <td>Prelims, Profit & Overheads</td> <td style="text-align: right;">£790,000.00</td> </tr> <tr> <td>Cliff Works</td> <td style="text-align: right;">£102,680.00</td> </tr> <tr> <td>CDM</td> <td style="text-align: right;">£1,855.00</td> </tr> <tr> <td>Inflation</td> <td style="text-align: right;">£100,000.00</td> </tr> <tr> <td>Professional fees, Surveys & Reports</td> <td style="text-align: right;">£532,055.00</td> </tr> <tr> <td>Statutory Services</td> <td style="text-align: right;">£16,450.00</td> </tr> <tr> <td>Employers Agent and QS</td> <td style="text-align: right;">£25,000.00</td> </tr> <tr> <td>Legal</td> <td style="text-align: right;">£10,000.00</td> </tr> <tr> <td>Lodge furnishing</td> <td style="text-align: right;">£55,000.00</td> </tr> <tr> <td>Sub Total</td> <td style="text-align: right;">£5,928,973.00</td> </tr> <tr> <td>Contingency @ 15%</td> <td style="text-align: right;">£910,295.90</td> </tr> <tr> <td>Grand Total</td> <td style="text-align: right;">£6,839,268.90</td> </tr> </tbody> </table>	Demolition	£215,000.00	Shell & Core Works	£2,260,000.00	Fit Out Works	£1,150,933.00	External Works	£670,000.00	Prelims, Profit & Overheads	£790,000.00	Cliff Works	£102,680.00	CDM	£1,855.00	Inflation	£100,000.00	Professional fees, Surveys & Reports	£532,055.00	Statutory Services	£16,450.00	Employers Agent and QS	£25,000.00	Legal	£10,000.00	Lodge furnishing	£55,000.00	Sub Total	£5,928,973.00	Contingency @ 15%	£910,295.90	Grand Total	£6,839,268.90
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Deliverables	Timeline (inc key milestones)																																
<ul style="list-style-type: none"> - New destination facility - Tenant to operate restaurant 	<p>Project approval July 2020 Project Commencement August 2020 Tender design and build Winter/Spring 2020/21</p>																																

- Lodges, Spa and beach office to be operated in-house by Seafront Team	Secure Planning Consent Summer 2021 Site works October 2021 – March 2023 Fit out April/May 2023 Commence trading May 2023
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Overall Project Risk Rating		
Top Project Risks	Gross Risk Rating	Mitigating Actions
Budget over-run	High	15% budget contingency included
Programme over-run	High	15% time contingency included
Cliff stability	High	Early survey and assessment. Provisional sum included in budget and based on costs for similar works elsewhere over a larger area (Manor Steps)
Covid related supply chain delays	High	Early engagement with supply chain.
Planning delay	High	Early engagement with Planners done. Clear understanding of issues to address. Early engagement with EA critical around Lodges. Precedent set with Manor Steps scheme

Delivery models considered:

Three approaches to delivery have been considered:

- Council obtains outline planning then leases site out for private sector redevelopment and operation. Some interest was expressed via informal discussion with industry prior to covid lock-down. We are still awaiting a formal response on the potential from a commercial agent. It is understood that even if the offer was leased it would be unlikely to generate significant yield to the Council, certainly less than the developing the site in-house. This would also require the Council to sub-lease on terms of at least 99 years. This option has been rejected.
- Council funds the build and operates all facilities in-house. The Council has considerable experience and a management set up ready to go (Bournemouth Beach Lodges) to run a new premium lodge offer. Whilst the Council has a catering operation covering 14 units across the seafront, aspirations to provide a higher quality restaurant experience at Southbourne would require a totally separate supply chain and dedicated management team. There would be little gain in terms of economies of scale leveraging the wider catering offer and premium dining falls outside of the Council's expertise. This option has been rejected.
- Council funds the build, operates the beach lodges and spa. Restaurant operation is tendered out to specialist contractor. This option is recommended.

Option 2: Do Nothing

In Scope	Out of Scope
Nothing	Redevelopment of Southbourne 'Bistro' complex
Expected Cashable Benefits (£k)	Expected Financial Cost (£k)
none	£104k lost rental from Bistro & beach huts Some lost revenue from car park (mainly evenings and off-peak season) Lost business rates from Bistro restaurant Cost of decommissioning / making safe the building / security, once closed
Expected Non Cashable Benefits	High Level Breakdown of Costs
Reduced risk	n/a
Deliverables	Timeline (inc key milestones)
Closure of building within four to five years. Loss of public toilets and beach office. Loss of 25 beach huts Reduced demand for council owned car park at Southbourne Risk loss of Blue Flag award for Southbourne beach Reduced viability for tourism 'offer' in Southbourne, potentially impacting on local guest houses and hotels	Bistro restaurant tenancy ends March 2023. May be possible to extend for a further year before building is condemned to closure

No redevelopment of the site will see the current restaurant tenancy ending in March 2023. It may be possible to extend this existing tenancy agreement but not practical to re-advertise the tenancy on a substantial lease due to the poor condition of the building.

The building will continue to be surveyed on a regular basis to ensure it remains safe to use but it is beyond the point of being reasonably economically viable to undertake extensive repairs.

The likely scenario would see the facility permanently closed within two to three years on safety grounds.

The loss of the restaurant and first floor beach huts would result in a loss of £104k income to the Council, based on 2019/20 figures. Income will be substantially down in 2020/21 and possibly 2021/22 due to covid-19 lock down.

The loss of facilities including the closure of public toilets and beach office would have a significant impact on beach visitor numbers and loss of amenities for local residents and a likely further reduction in income to the council from lost business rates and less use of the cliff top car park, particularly in the evenings and off-peak season periods.

Lost facilities could impact on Southbourne's Blue Flag award, for which provision of toilets forms a key award criteria. Potential loss of a Blue Flag would result in reputational damage for the resorts reputation and could have wider economic impacts for local guest houses and hotels.

Overall Project Risk Rating		
Top Project Risks	Gross Risk Rating	Mitigating Actions
Current building becomes unsafe, resulting in closure of facilities including public toilets and beach office	High	Pop up temporary beach office. No space for additional temporary toilets
Loss of £104k revenue to the council	High	Explore pop up temporary kiosk on adjacent sites. Max revenue potential £10 to £20k a year
Reputational risk to resort: reducing investment in key tourism product that supports wider industry	High	Reinvest in core tourism product elsewhere to 'compensate' for loss of Southbourne facilities
Loss of political support: ward councillors under pressure from residents over loss of beach amenities	High	Demolish building and install temporary offer, see Option 4 (below)

Option 3: Implement a less comprehensive solution, or implement the project in phases to spread the cost

In Scope	Out of Scope
Demolition of Bistro complex in 2024, following termination of restaurant lease. Install temporary kiosk, toilets and beach office on existing concrete pad plus up to 8 private beach hut sites	Comprehensive redevelopment of site
Expected Cashable Benefits (£k)	Expected Financial Cost (£k)
None.	£480k capital funded via PRU borrowing at 2.35% over 10 years (max life of facilities). Annual borrowing cost £53k £10 - £20k max income from kiosk, plus a further £12k from private beach hut sites which after borrowing would result in a net annual cost to the Council of £21k a year in addition to a £104k budget pressure from lost income from the restaurant.
Expected Non Cashable Benefits	High Level Breakdown of Costs
Reinstates some basic facilities, supporting footfall in the peak season and removing risks around blue flag beach award.	Demolition and making good the foundation base £300k Installation of temporary toilets and beach office portacabins £50k Installation of modular kiosk: £50k Fit out, services, planning and professional fees: £80k Cost of beach huts: none. These could be funded by tenants.
Deliverables	Timeline (inc key milestones)
Demolished building. New temporary toilets and kiosk facility plus up to 8 new private hut sites	Current site operates through to March 2023. Potential to negotiate a short lease extension for restaurant to cover 2023 season. Demolition of building winter 2023/24 Installation of temporary facilities by Easter 2024

Overall Project Risk Rating		
Top Project Risks	Gross Risk Rating	Mitigating Actions

Lack of funding. Commercial investment is not viable.	High	Subsidise investment from new commercial activity elsewhere or fund from Council reserves (unlikely)
Unsustainable budget pressure	High	Reduce services to fund budget pressure
Lack of stakeholder support, resulting from down-grading of amenities	High	Explore alternative investments to improve amenities elsewhere

This option may be considered as a short-term option to maintain some amenities once the current structure has been closed, whilst reserving the option for comprehensive redevelopment in the longer term. However, this option does present a significant budget pressure and could not generate sufficient revenue to fund its construction.

Further options around developing a modular café/ restaurant have been explored and costed by drawing off draft proposals and business case prepared (but not submitted) for development of a café at Sandpiper by the West Cliff Lift. A modular café at Southbourne would cost in the region of £750k to construct, rising to £850k if the Council decided to fit out itself and operate in house. Net projected income would not cover the borrowing cost, leaving nothing to cover wide site costs such as toilets, beach office and landscaping.

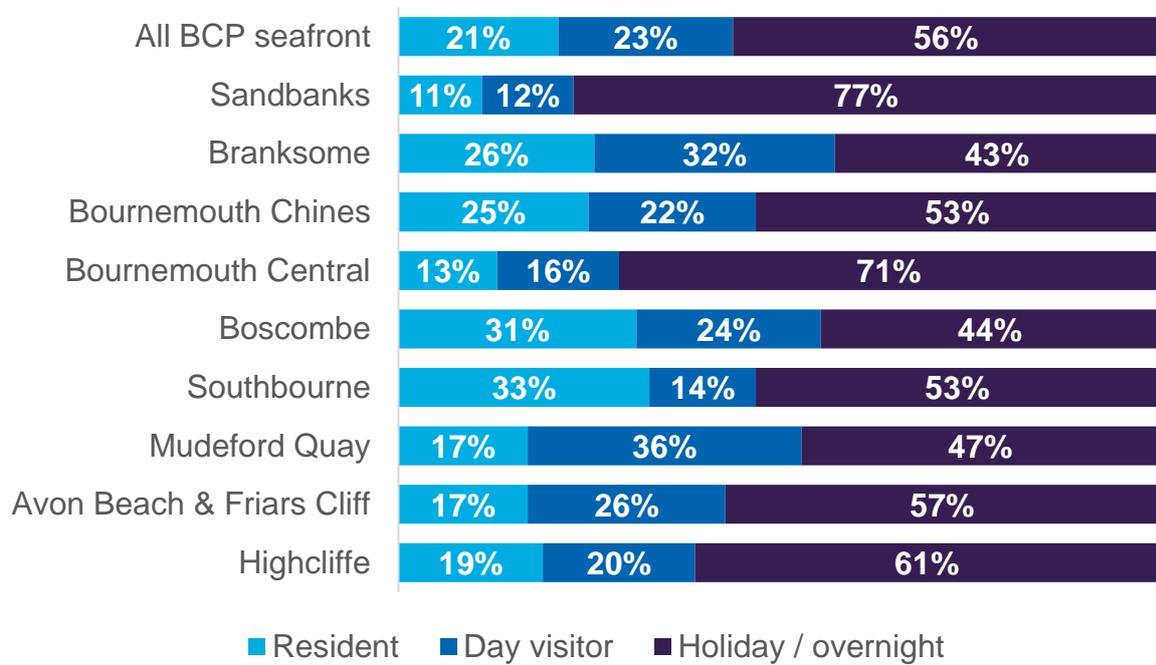
4. The Commercial Case

This sets out the evidence to support market demand for re-development of the site.

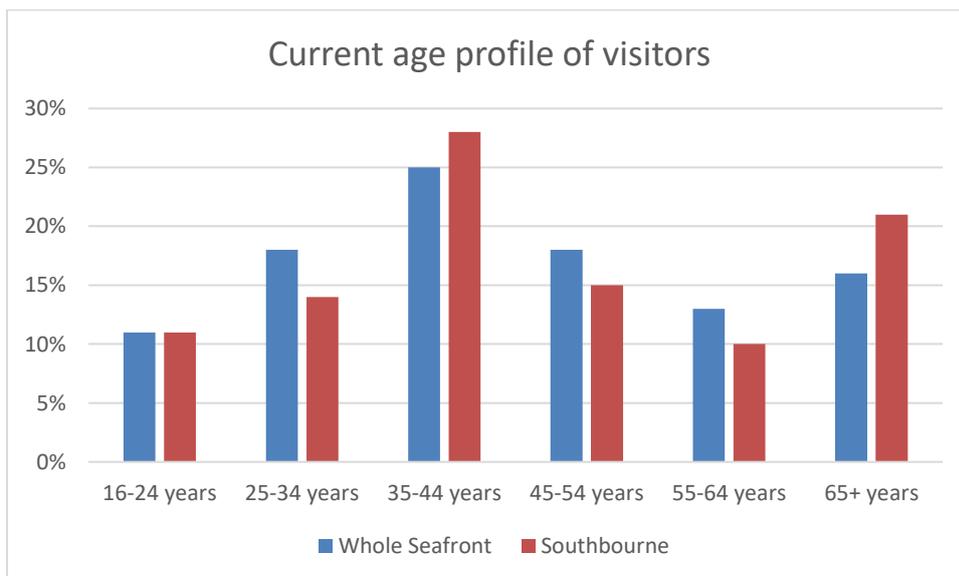
BCP Seafront Visitor Survey 2019: Southbourne performance

Presented below are some snapshot results from the most recent seafront visitor survey undertaken in summer 2019. We have compared the results for Southbourne beach with the seafront as a whole (Sandbanks to Highcliffe Beach) to highlight some weaknesses and opportunities.

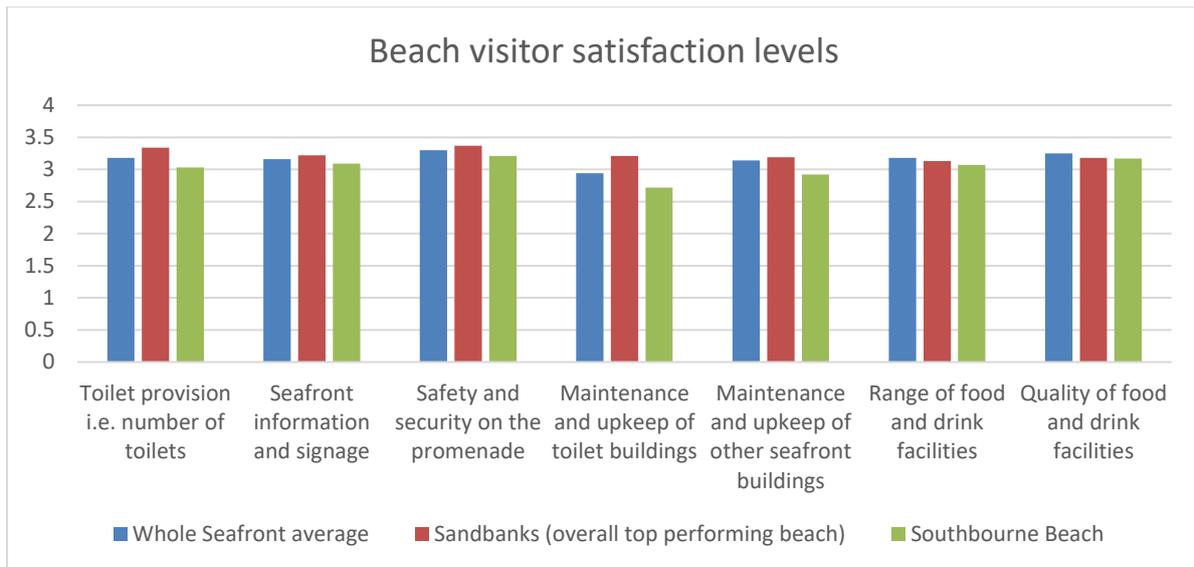
Visitor type by seafront zone



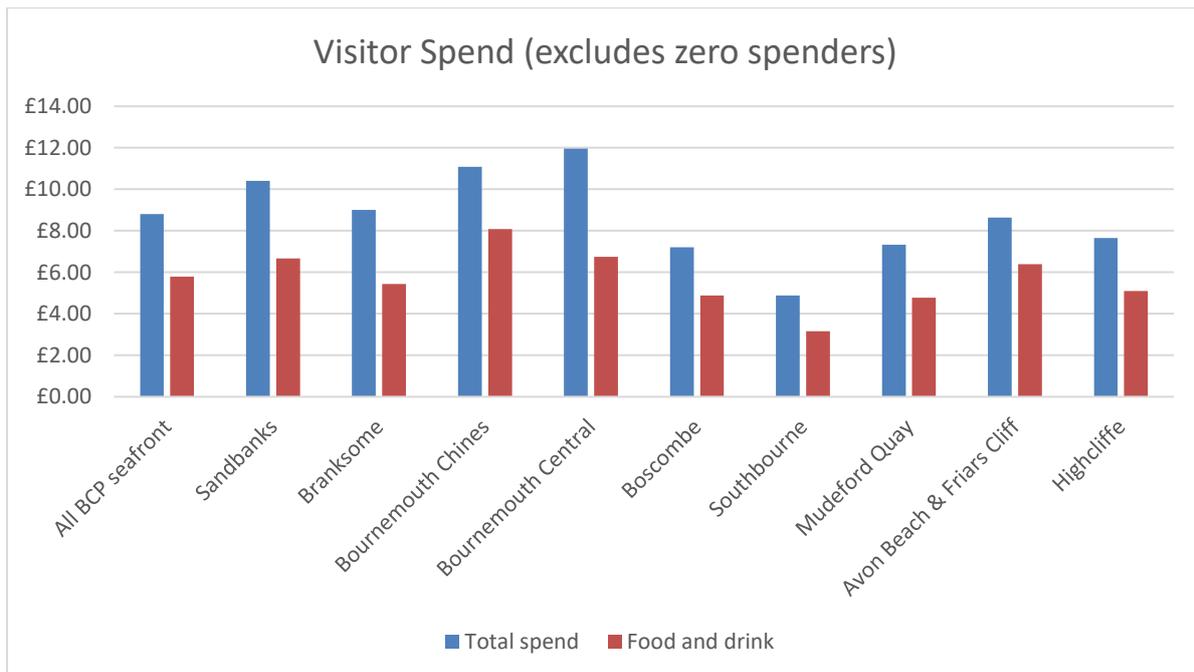
This chart illustrates the breakdown of current visitors to Southbourne beach during the summer months, compared to other sections of the seafront. This highlights its popularity with holidaymakers as well as local residents, but is less frequented by day visitors.



This chart illustrates the age profile of visitors to Southbourne beach compared with the overall average for the seafront as a whole, highlighting its enduring appeal to certain age groups.



This chart illustrates Southbourne’s relative poor performance on a number of satisfaction measures compared to the whole seafront average and the overall top performing beach for visitor satisfaction, Sandbanks in Poole. The proposed development would address these issues.



This chart illustrates Southbourne beach currently sees the lowest overall visitor spend and the lowest spend on food and drink for any of the beaches within BCP, presenting a key growth opportunity if the product development is right.

Current trading performance

The Bistro restaurant is currently achieving a turnover of over £1m a year. This is due to good management as well as demand from a captive audience with no commercial competition on the seafront within a mile.

Commercial potential

The potential to increase turnover, subject to securing a good operator via a tender process, has been enhanced by key aspects of the scheme design:

- Introduction of lift and walkway from car park will make the restaurant more accessible and convenient especially in the evenings and off-season. This should help the operation to become year-round, as the Bistro site once was back in the 1980s.
- Year-round occupation of the beach lodges (targeting an average of 74% annual occupancy, as achieved at Manor Steps) would result in a ready made year-round market for the restaurant and would also enhance car park financial performance
- Combination of spa, lodges, restaurant, easy access, convenient car parking and potential space within the spa area/ viewing platform could support additional revenue streams from corporate events and beach-based weddings. A committed operator might draw example from the Lusty Glaze privately run beach operation in Newquay which hosts around 120 – 140 beach weddings a year utilising a restaurant and beach accommodation. Weddings start from £15k for site rental alone.

A full assessment of the income potential for the site can be found at **Appendix 2**.

Warren Edge Car Park

A high-level review of car park income for the Warren Edge car park highlights how under-utilised the car park currently is. The majority of users during the high season (April to October) stay for less than 1 hour. Convenient free parking can be found on the adjacent roadway. The car park features 192 parking spaces, including accessible spaces.

Occupancy across the whole of April to October (214 days) was only 15,312 transactions in the last financial year. The bulk of these will have occurred during the summer holidays, which points to very low occupancy outside of July and August.

The proposed development at the Bistro site could help significantly improve occupancy, particularly in the evenings and outside of the summer holidays.

5. The Financial Case

Refer to Appendix 2: Southbourne Financial Case for further detail on cost breakdown and income projections.

Scheme capital costs have been prepared by the project team drawing on independent cost plan commissioned of Currie and Brown, see Appendix 3

Income projections have been prepared with input from Simon Scarborough Associates (hospitality industry consultants) and the Bournemouth Beach Lodges management team. Rental valuations for the restaurant have been prepared with input from Property Services and the Seafront Operations Contract Manager.

The return on investment and borrowing model has been prepared with input from the Council's Strategic Finance Team.

Return on investment:

	Invest to Save 5.5% rate			PRU borrowing 2.35% rate		
	worst	mid	best	worst	mid	best
16 Lodges net income	(675,711)	(772,488)	(869,266)	(675,711)	(772,488)	(869,266)
Lodges revenue costs	324,651	324,651	324,651	324,651	324,651	324,651
Lodges net profit	(351,060)	(447,837)	(544,615)	(351,060)	(447,837)	(544,615)
Restaurant lease income	(80,000)	(90,000)	(100,000)	(80,000)	(90,000)	(100,000)
Total net income	(431,060)	(537,837)	(644,615)	(431,060)	(537,837)	(644,615)
Scheme cost	£6.84m	£6.84m	£6.84m	£6.84m	£6.84m	£6.84m
Annual borrowing cost	509,918	509,918	509,918	364,908	364,908	364,908
Net cost / (surplus) to Council	78,858	(27,919)	(134,697)	(66,152)	(172,929)	(279,707)

Borrowing Rate Matrix

3.5% Low Risk

The proposed capital expenditure expands on a service already provided by the Council, and there is significant evidence to support / guarantee the savings or income streams associated with the proposal.

5.5% Medium Risk

Proposals where the Council has prior experience of delivering the proposed service / capital asset, but where forecast savings or additional income streams are not supported by robust evidence, reflecting the current covid-19 risk

10.5% High Risk

The proposal is for a completely new activity to the Council, and no guarantee of savings or additional income streams can be provided

Risk Premium

Difference between Invest to Save Rate of 5.5% and potential PRU borrowing rate of 2.35% is £145k per annum (£510k modelling repayment less £365k potential actual)

- A 25 year cash flow forecast (see Appendix 2) is summarised below:

Income	assumptions	years 1 - 5	years 6 - 10	years 11 - 15	years 16 - 20	years 21 - 25
16 lodges	assume 3% annual increase	(4,101,244)	(4,754,465)	(5,511,729)	(6,389,604)	(7,407,302)
restaurant	5 year rent review @ 3% increase	(236,000)	(455,400)	(469,062)	(483,134)	(497,628)
Gross Income		(4,337,244)	(5,209,865)	(5,980,791)	(6,872,738)	(7,904,930)
Operational Costs						
Annual running costs	assume 2.5% annual increase	1,706,472	1,930,717	2,184,429	2,471,481	2,796,254
Major Repairs	based on 0.8% asset value from year 10	0	68,330	368,147	416,524	471,259
Operational Spend		1,706,472	1,999,047	2,552,575	2,888,005	3,267,512
Net surplus before borrowing		(2,630,771)	(3,210,818)	(3,428,215)	(3,984,733)	(4,637,418)
Prudential Borrowing	Medium Risk Invest to Save 5.5%	2,549,588	2,549,588	2,549,588	2,549,588	2,549,588
Net Surplus		(81,184)	(661,230)	(878,627)	(1,435,145)	(2,087,830)
MTFP pressure (lost income)		520000	520000	520000	520000	520000

Net Surplus plus MTFP pressure		438,816	(141,230)	(358,627)	(915,145)	(1,567,830)

- It should be noted that years 1 to 3 carry a budget pressure due to rent relief for the first years of operation of the restaurant, reflecting the high set up costs to fit out the facility. We have estimated a fit out cost of £220k. The restaurant would be handed to the operator as an empty shell.
- Subject to approval by Cabinet (and full Council) the project would commence August 2020 and complete by May 2023. On-site works in 2022 may necessitate some temporary catering offer and agreement with current tenant to vacate site early

Covid-19

- Reflecting on the current budget challenges as risks around managing Covid-19 it should be noted that projected spend to deliver the project, for the current year 2020/21, would be minimal and largely confined to officer time as we develop and issue a Design and Build Tender.

Capital scheme costs:

Item	Cost
Demolition	£215,000.00
Shell & Core Works	£2,260,000.00
Fit Out Works	£1,150,933.00
External Works	£670,000.00
Prelims, Profit & Overheads	£790,000.00
Cliff Works	£102,680.00
CDM	£1,855.00
Inflation	£100,000.00
Professional fees, Surveys & Reports	£532,055.00
Statutory Services	£16,450.00
Employers Agent and QS	£25,000.00
Legal	£10,000.00
Lodge furnishing	£55,000.00
Sub Total	£5,928,973.00
Contingency @ 15%	£910,295.90
Grand Total	£6,839,268.90

6. The Management Case

This section sets out the management case for the project, showing that it is deliverable.

Governance

The project will be delivered by BCP Council's Seafront Delivery Programme Board. A robust governance structure is in place with a programme board headed by the Corporate Director for Regeneration & Economy. Other members of the board include Directors for Destination & Culture and Growth & Infrastructure, together with the Leader of the Council and Portfolio Holder for Tourism, Leisure & Communities and senior officers responsible for planning policy, strategic finance, seafront programme delivery, corporate communications and project management assurance.

Delivery Track Record

The Seafront Delivery Programme Board oversees a strategic programme of investment across BCP Council's 15 miles of coast drawing off the Bournemouth Seafront Strategy, Poole Seafront SPD and strategic ambitions for Christchurch. These strategic aims have been brought together into an overarching BCP Council Seafront Strategy. Whilst the current Board was constituted in 2019 with the commencement of BCP Council, it draws on the best practice and the experience of team members who have previously overseen delivery programmes for the predecessor authorities of Bournemouth, Poole and Christchurch & East Dorset. Since 2013, the programme and project team members have overseen delivery of 15 capital projects in Bournemouth, 5 in Poole and 4 in Christchurch. Projects have included major public realm schemes such as Bournemouth Pier Approach, innovative tourism accommodation schemes such as Bournemouth Beach Lodges, significant access projects such as Highcliffe Zig Zag restoration, various beach hut schemes, play space developments, new cafes and tourist information centres and an adventure golf leisure attraction.

Management Proposals

Programme and Project Managers report to the Destination and Culture Directorate and are currently engaged on the delivery of over £10m worth of projects. The Southbourne project will be able to draw appropriate delivery resources from an in-house team of three project managers and three programme managers with a combined experience of over 70 years of coastal project delivery.

The delivery team utilise Prince2 project management methodologies and procurement processes are managed with the support of the Council's Procurement Team and are fully compliant with the Council's procurement policies and OJEU regulations. The team have forged strong relationships with other council departments and external stakeholders with an interest in the seafront to ensure smooth and co-ordinated delivery of projects on time and on budget.

Delivery Plan

Key project milestones are set out in the table below:

Project start date	Project end date
August 2020	May 2023

Key Milestone Date	Milestone Description
July 2020	Full Council Approval
Aug - Sept 2020	Commission full surveys including cliff stability
Sept - Oct 2020	Develop design and build tender documents
Nov '20 - March '21	Tender design and build contract
Late spring through summer 2021	Secure planning consent
Early sept 2021	Current restaurant trading operation suspended
Oct 2021	Commence site demolition and establish temporary offer with restaurant operator for duration of works
Nov 2021 - March 2023	Construction phase (17 months)
April - May 2023	Fit out phase (2 months)
May 2023	Completion and commence trading

Permissions

The site is freehold owned by BCP Council and there are no covenants.

Agreements with Wessex Water and SSE will be required for the re-siting of pumping sub-station control equipment located within the current building. These would be relocated in the new facility.

Agreement with the current restaurant tenant to vacate the site early or otherwise agree to establishing a temporary offer would be needed in order to allow for construction during 2022 and early 2023.

Annual beach hut tenancies would need to be terminated at the end of 2021 summer season to facilitate redevelopment.

Licences and agreements to re-connect or divert services will be required. Potentially a power upgrade may be required.

Full planning consent will be required. Key issues identified by Planning Officers that will need to be addressed by the project have been identified:

Key planning risks/issues:

- flood risk
- impact on nature conservation sites & habitats
- impact on character (in particular coastal and cliff) and public views – building height and form, detailed design and appearance (in particular lift tower and access/walkway)
- impact of uses – increased activity any new uses/activity types
- impact of mechanical vent/extraction for the restaurant - appearance and noise
- storage and disposal of waste – visual appearance, smell nuisance
- provision of cycle parking
- consideration of any parking implications

Information that may be required for planning and could provide mitigation and understanding of the scheme:

- flood risk assessments
- ecology surveys
- rationale for the tower design – issues it addresses, opportunities it creates
- cliff stability report
- drainage design

Consultees required for a planning application

- Natural England
- Environment Agency
- Dorset Wildlife Trust
- Design Review Panel
- Council teams (parks, car parks, highways, ground engineer (WSP), coastal engineers, tourism/ seafront, environmental health, ward councillors, resident associations)

Contract Management Plan

The Programme and Project Manager will work with the Council’s Procurement Team to develop the most appropriate procurement strategy. At this stage, it is favoured to go down the route of a full design and build contract although further options will be considered in light of evolving covid-19 lock down impacts on the construction industry and supply chain.

The procurement process will be fully compliant with Council and OJEU regulations.

Contingency Plan & Risk Management

The cost plan allows for a 15% project contingency. The delivery programme of 33 months allows for 17 months on site construction time plus a further 2 months commercial fit out. This is considered sufficient for a build of this complexity and location and would allow for some float, anticipating delays due to winter working in a coastal environment.

A key risk revolves around the construction industry’s ability to respond to the tender and programme in light of the present economic shut down.

The cost plan contains a number of assumptions around this:

- We have included marginal allowances of +1% for 12 months of pre-construction (1% per annum for 2020-21) and +1% to mid-point of construction at 6 months (2% per annum for 2021-22)
- Given the uncertain duration of the lockdown, the size of the fall in output through 2020 is difficult to assess. BCIS is assuming a fall of 8%, against a previous anticipated growth rate of 3%.
- It is our expectation, however, that tender price inflation will go negative as an immediate consequence of the lockdown, possibly by as much as -6%. We believe that there will be a wave of companies chasing to secure turnover in the first instance, and some project sponsoring bodies may be initially reluctant to proceed on planned capital projects while they are rebuilding their balance sheets and retaining cash. Once construction activity starts to rebuild to pre-lockdown levels, hopefully sometime during 2021, tender price inflation could quickly rise to around 3.5% to 4% pa as a consequence of prevailing input cost pressures and an increased pricing of risk.
- Getting the project out to market/tender quickly and maximising the use of locally available materials before the sector fully bounces back should result in competitive pricing with contractors keen to fill their order books.

A full project risk register is included as **Appendix 4**

Monitoring and Evaluation

The principal evaluation will be based around a seafront visitor survey undertaken during the summer of 2023. This face to face survey interviews over 1200 seafront users during July and August every two years, enabling comparisons of data over time. The surveys cover visitor profile, satisfaction rates, purpose of visits, dwell and spend and have been conducted since 2003.

The beach lodge operation, which will be run by the in-house Bournemouth Beach Lodges team undertake continual performance monitoring in the form of room rate and occupancy analysis as well as cost monitoring. Performance will be benchmarked against the established offer at Manor Steps.

Project Management Organisational Structure

Programme Board	Name	Position/Job Title
Project Owner	Bill Cotton	Executive Director
Programme Manager	Andrew Emery	Resort Development & Strategic Planning Manager, Destination & Culture
Project Accountant	Shirley Haider	Management Accountant
Senior User	Chris Saunders	Service Director, Destination & Culture
Senior Supplier	Julian McLaughlin	<i>Inc Project Assurance, Comms, HR, Risk, Legal to attend as mutually agreed by Project Owner</i>
Leader	Vicki Slade	

Portfolio Holder	Lewis Allison	<i>Where required for proper governance purposes</i>
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Proposed Project Resource (including Stakeholders, SMEs, Internal and External Resource)

Resource	Project Role	Estimated Effort
Rebecca Whelan-Edmonds	Project Manager	Between 10 – 20 hours a week for duration of project
Noel Oliver	Seafront Contracts Manager / User	5 hours a month for duration of project
Bournemouth Beach Lodges Manager	Operational User	Limited to start with but increasing towards end of project
Procurement Officer	Procurement support	15 hours
Melanie Brown	Corporate Comms support	15 hours
Gary Foyle	Stakeholder Engagement Co-ordinator	40 hours

Consultation with Officers and Members

Include all who have been involved, include their views in the feedback

Who has been consulted	Provide their name and their feedback
Strategic / Executive Directors	Bill Cotton
Service Director	Chris Saunders General comments on scheme proposal and concept design
Portfolio Holders	Cllr Lewis Allison Comments on scheme proposals and concept design
Corporate Finance / 151 Officer	Shirley Haider. Reviewed setting out modelling for borrowing repayments and sensitivity analysis and covid impacts
Legal / Monitoring Officer	
HR and OD	
IT and IS	
Policy / Consultation	
Communications / Marketing	Melanie Brown
Seafront Contracts Team	Noel Oliver input into concept design performance and operational specification. Review of commercial prospects and consultation with restaurant tenant
Seafront Operations Team	Andrew Brown input into concept design performance and operational specifications

Bournemouth Beach Lodges & Simon Scarborough Associates	Review of proposed beach lodge business model, providing income projections, pricing, product offer and occupancy modelling
Property Services	Gareth Dop providing input into valuations around lease of new commercial activities within the development

Public Sector Equalities Duty <i>Have you considered how this change may affect people protected under the Equality Act?</i>		
EIA Screening Tool	Yes/No/Maybe	Comments
Does the policy/service affect service users, employees or the wider community?	Y	Will deliver community and infrastructure improvements including improved accessibility
Is it a major policy/service with a significant effect on how functions are delivered?	N	A continuation of existing long term programmes of improvement. Will result in improvements to services
Will it have a significant effect on how other organisations operate?	Y	Will provide new commercial opportunities for leased restaurant offer, linking into beach lodges
Does it involve a significant commitment of resources? (human or financial)	Y	Will require significant capital investment to deliver project using invest to save model to generate new income streams for the Council
Does it relate to an area where there are known inequalities?	Y	Inequalities of access to services at Soutbourne due to steep access slope.
Does it relate to a service that is currently underused by people it should reach?	Y	While the seafront is very well used by residents, some communities do not access the seafront due to issues around accessibility, transport and range of services on offer. Projects will deliver improved community facilities and access eg: lift access from cliff top to promenade, new public toilets, beach office, restaurant, kiosk and viewing platform with environmental interpretation
Does the policy/service relate to functions that previous consultation has identified as important to a particular group?	Y	Various consultations across BCP area have informed strategic plans and Seafront Strategies upon which this feasibility Programme is based
Do different groups have different needs or experiences in relation to the policy/service?	Y	Principally around access.

Is there likely to be a positive or negative impact in terms of equality?	Y	Positive
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Does this proposal need consultation or communication with the public or other key stakeholders? Have you engaged the relevant teams? *What needs to be consulted upon? Or communicated? Which stakeholders need to be included and when does this need to happen?*

Consultation and engagement with the community and key stakeholders will be required once business case has been approved.

Key stakeholders include: Ward Councillors, resident groups, statutory authorities, resident groups, tourism industry groups, NGO's and other Council departments.

A Stakeholder Engagement Plan will be developed with the Council's Consultation team as part of the project.

Appendix

- 1: Southbourne Design RIBA 2 - follow sharepoint link:
https://bcpcouncil.sharepoint.com/:b:/s/TourismDev/ESRZUC00e5dFkWJaTcumW_cBGEJr6UdtsUzJiysk5VhCJw?e=a7ZyXI
- 2: Southbourne Financial Case
- 3: Southbourne Cost Plan v2
- 4: Southbourne Risk Register v4