

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	TOURISM AND LEISURE COMMITTEE	10 JUNE 2021	4
FAIRHAVEN KIOSK/ICE CREAM BAR - STANNER BANK			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The report concerns a potential development proposal which delivers regeneration benefits to the Junction of Stanner Bank Car Park and Granny's Bay. Working in partnership with the existing tenants of the adjacent Kiosk the Council have developed a proposal to replace the existing ice cream kiosk at the entrance to Stanner Bank Car Park and replace with a new larger landmark architect designed building with seating and toilets. The report proposes a fully funded addition to the council's capital programme.

RECOMMENDATIONS

The Committee is recommended to:

- To recommend to Council, approval of a fully funded addition to the Councils capital programme in the sum of £360,000 to the Fairhaven Kiosk/ Ice Cream Bar project, within the approved Capital Programme (£180,000 for 2021/22 and £180,000 for 2022/23), to be met in full from the Funding Volatility Reserve;
- Subject to approval by Council to approve the spend of £15,000 to develop the project to RIBA stage 3.
- To agree the principal of letting the new facility on a lease on the basis of the terms as set out in the report.
- Subject to approval by Council that a further report will be presented to committee to seek agreement of the final design, scheme costs and procurement route along with the fuller provisionally agreed heads of terms of a lease for the new facility.

SUMMARY OF PREVIOUS DECISIONS

None

CORPORATE PRIORITIES

Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

REPORT

PROJECT PROPOSAL

1. There has been a small kiosk serving ice creams and drinks at the entrance to the car park at Stanner Bank since 1965 currently owned and operated by Gianfranco Dalmasso and Amanda Dalmasso (The Tenants). The facility has been a popular feature serving residents and visitors to the site. When the work to replace the sea defences at Fairhaven started in 2017 discussions took place over how the existing kiosk would be affected by the raising of the car park and whether it was a good opportunity to look at a new larger facility in a better location.
2. Creative SPARC Architects have to date been appointed by the Tenants, as they explored various design options in collaboration with Fylde Borough Council for the redevelopment of their current ice cream kiosk. The initial design brief focussed on the construction of a new ice cream kiosk to provide an improved service for customers and the ability to sell an enhanced selection of products in anticipation of the increased footfall to the area as a result of the completed coastal defence works and Fairhaven Lake regeneration. There was a collaborative desire to create a 'landmark' building, whilst also ensuring that the design was practical, low maintenance and operationally efficient for the business.
3. The initial design work investigated various potential built forms and architectural directions, culminating in three initial options.
 - a. Option 01 explored a sculptural and playful building form inspired by local birds that migrate to the estuary and Fairhaven Lake.
 - b. Option 02 explored a more structured form, inspired by nearby boat houses and the areas links to boating.
 - c. Option 03 looked to link the building to the coastal defence works, with a tiered structure exploring the idea of corrosion along the coastline.
4. These design options also considered either keeping the building in its current location or relocating it onto the grass area overlooking Granny's Bay.
5. Of the three options initially presented the Tenants and officers agreed that Option 01 and the sculptural form that this design approach created was the most successful and preferred option. It was felt that this created a 'landmark' structure on the redeveloped bay for both tourists and locals to visit and enjoy. It was also suggested that the new proposal should be sited on the grass area opposite the current ice cream kiosk site, as a larger building on the site of the current kiosk was unworkable with the new car park entrance design that formed part of the coastal defence regeneration works. The relocated building position would provide easier and safer access for customers and would allow the new building to become a sculptural feature within the landscape.
6. Following the development of a detailed brief from the Tenants which was discussed with officers, design option 01 was further refined to include an integrated terrace and seating. Survey drawings of the new coastal defence works, provided by officers, were used to better integrate design proposal option 04 on the redeveloped Granny's Bay site. The internal spaces were also revisited to ensure there was sufficient space for the proposed new equipment required for ice-cream and the proposed new gelato sale and production. At this point the design progress was put on hold whilst the business plan was fully developed and due to the impact of the Coronavirus pandemic.
7. Design option 05 was proposed in January 2021. This scheme was a further iteration of design option 04, although with amendments based on the Tenants revised brief and thoughts on the previous iterations. Option 05 included similar internal spaces to option 04, although further refined. The proposal was also reorientated to take better advantage of the views overlooking the bay, with a covered seating terrace that can be fully enclosed and is useable throughout the year. The main serving hatch was also reorientated towards the new car park entrance and the building better integrated with the recently completed coastal defence works. The general preferred design approach of the original design option 01 has been retained throughout the design process but has evolved and has been refined to suit the requirements of the evolving brief.

8. Design option 05 was presented to the Council's Budget Working Group in January 2021. Members of the Group recommended that a proposal be brought forward to committee providing the following conditions were met by the existing tenants -
- A development budget of up to a maximum of £360,000 is recommended.
 - The facility generated a rental yield of £25,000 p.a.
 - The lease would need to be for 7 years less 1 day
 - The lease would include a wider user clause for the sale of hot snacks/food and alcohol (subject to licensing), as this supports the rental figure proposed
 - The Council will need to consider a 5 year business plan from the existing tenant in order to assess whether the business proposal was achievable.
9. The Tenants of the existing Kiosk have agreed to all the principal conditions listed out above.
10. A rental income of £25,000 p.a. had been proposed for the subsequent lease granted to the existing tenants of the adjacent kiosk. In October 2019 the Councils commissioned Duxbury's Commercial to undertake a rental valuation of the proposed new build this was assessed at £24,000 p.a. To enable the business to set up and establish in the new premises it has been proposed that the first year will be rent free.
11. The current kiosk is owned by the Tenants who pay a ground rent of £2,676 p.a. to Fylde Council.
12. A 7-year lease less 1 day has been proposed with the Tenants for the new facility. As part of this proposal the existing facility will need to be removed and reinstated. To achieve this the existing Tenants needs to give up their lease of the existing kiosk. As the Tenants have worked up the proposals in partnership with the Council it would not appropriate to tender the opportunity to the open market and so it is recommended that they be granted a new 7 year lease less 1 day of the facility in the new location. If the lease was 7 years or over it would be obliged to advertise the development opportunity publicly and seek best offers as widely as possible. However, the new lease would be granted with security of tenure so the Tenants would be entitled to a new lease at the end of the initial 7 year period.
13. The user clause will include offering hot snacks/food and alcohol (subject to licensing).
14. A business plan has been submitted by the Tenants which has been assessed by officers from Technical Services and Finance. This forms part of its due diligence procedures when considering any business operator for a new lease especially given the capital investment proposed by the Council. The business plan demonstrates a credible proposal to operate a new and improved facility at the entrance to Stanner Bank car park.
15. There are no additional revenue costs to the council as part of this proposal. Repairs and maintenance will be met from existing budgets. If there is a need to undertake more major works in the future this will be the subject of a capital bid at the appropriate time.
16. The internal fit out of the new facility would be the responsibility of the Tenants to suit their business operation needs.
17. The project delivers a new and improved facility to help cater for the additional visitors to the area. It's primary role is to provide economic and tourism benefits with the secondary benefit being a positive financial return to the council.
18. It is recommended that committee consider the proposals as set out in the report and support the development and delivery of a capital project to construct a new catering facility at Stanner Bank with a budget of £360,000 and to let the facility to the Tenants. If members agree to this in principle the next steps are set out below.

NEXT STEPS

19. The latest design option 05 will need to be revisited alongside the finalised project brief to ensure that all requirements and ambitions are met.
20. A structural engineer will need to be appointed to review the design and advise on the best structural strategy to achieve the sculptural form. Mechanical & electrical consultants will also need to be appointed to provide initial advice on the services for the building and how these can be integrated on the site.
21. The architectural design will be updated to integrate and coordinate this information. Detailed design information will then be prepared to allow the submission of a full planning application. The estimated costs will also be reviewed by a quantity surveyor as the design work develops to ensure that the scheme remains within the agreed budget.
22. The estimated cost for this work to take the project to the next stage (RIBA stage 3) is £15,000 and will be required if the project is approved.
23. A further report will be presented to committee for members to agree the final scheme design and further details along with the heads of terms of the new lease.

IMPLICATIONS	
Finance	<p>The report proposes that council approve a fully funded addition to the Councils capital programme in the sum of £360,000 to the Fairhaven Kiosk/ Ice Cream Bar project, within the approved Capital Programme (£180,000 for 2021/22 and £180,000 for 2022/23), to be met in full from the Funding Volatility Reserve.</p> <p>This proposal will generate rental income of £25,000 per annum following an initial rent free period of 12 months.</p> <p>Future repairs and maintenance will be met from existing revenue budgets or be the subject of future capital bids.</p> <p>The removal of the existing kiosk will result in the loss of the existing ground rent income of £2,676 p.a.</p>
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

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BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents –

Appendix 1 – Location plan

Appendix 2 – Option 05 design