

**Report to:** Charity Committee

**Date of Meeting:** 21st March 2016

**Report Title:** White Rock Promenade Kiosk Proposal

**Report By:** Monica Adams-Acton  
Assistant Director for Regeneration and Culture

---

### **Purpose of Report**

The report updates the Charity Committee on the proposal for a seafront catering kiosk to be built as part of the wider White Rock Area improvements

---

### **Recommendation(s)**

- 1. Support is given to proceed with the proposal from The Source to operate the White Rock kiosk on the basis of their financial offer, subject to the confirmation and evaluation of tender prices and taking into account the views of the Coastal Users Group.**
- 2. The project is added to the business plan for 2016/17 and £53627 is allocated from reserves in the 2016/17 budget, subject to satisfactory heads of terms being agreed.**

---

### **Reasons for Recommendations**

A revised set of tendered prices has now been received for the White Rock Promenade area improvements. These are currently being evaluated with the support of the East Sussex Procurement Hub, and include detailed costs for the installation of a new kiosk.

A proposal to operate the kiosk has been received from The Source which officers believe offers both financial value and added advantages.

---

## Introduction

1. Hastings Borough Council has developed a proposal to improve the public realm on the White Rock Promenade area between the end of Bottle Alley and Robertson Street. This has been in response to the need to renew critical elements such as the tarmac surface, changes to the cycle route to full shared use and a desire to improve landscaping and other facilities to complement the recently opened Source Park at the former White Rock Baths and the imminent reopening of Hastings Pier.
2. The scheme is jointly funded through a combined budget of £300k from the Foreshore Trust, Coastal Communities Fund and Hastings Borough Council.
3. The works have had to be tendered for a second time and the scope and scale of the improvements reduced as the first tenders received were far in excess of the available budget, and some details needed to be changed to secure planning consent.

## Seafront Kiosk

4. In addition to revised improvements agreed with the Charity Committee, it was also agreed that the option of a seafront kiosk be included within the tender as an option. This could then be considered if a business case to warrant its construction could be developed that satisfied invest to save guidelines and Foreshore Trust criteria.
5. Planning consent for the kiosk has already been granted and all services have been located in a convenient position under the promenade to allow connection to fresh water, waste and electric supply
6. We have now received a proposal from The Source, who are now operating the Source Park BMX and Skateboard facility under a new 10 year lease with the Foreshore Trust, to operate the kiosk that includes a profit share element.
7. The Source have made a strong case within their proposal including the obvious synergies of operating the kiosk with the Source Park and the benefits of food storage and preparation, staffing, training and management support. In addition they would capitalise on the opportunities presented through coordination with other facilities and activities in the White Rock (The Source, Hastings Pier, White Rock Theatre) and wider area.
8. They have also included the provision of additional services from the kiosk that would be of benefit to customers and all users of the seafront e.g. basic tourist information, free water refilling stations (in association with a wider HBC/FT initiative), high speed wifi, cycle repair kits and free compressor pump use for cyclists and a wider product range (sunscreen etc)
9. They propose to operate a minimum of 60 hours per week in the summer and 20 hours in winter. By operating alongside the adjacent Source Park café the kiosk will benefit from the use of the purpose built preparation kitchen, excellent hygiene standards and a large pool of fully qualified staff. This would increase flexibility to

open and close according to demand. i.e. extended hours in a sunny October or shorter hours in a rainy April. This will help minimise wasted staffing costs and food waste whilst maximising efficiency and profits.

## Financial Implications

10. They have made an offer of a rent of £5200 per annum and in addition would pay 10% of net profits, predicted to be an additional £1500 making a total of £6700 per annum, and expected to rise as the business develops.
11. In addition, The Source would contribute a further £19,250 of capital into the fit out of the kiosk for catering equipment etc.
12. An independent assessment of The Source's proposal has been made by Dyer & Hobbis who act for the Foreshore Trust at the request of the Estates Manager. They have confirmed that the proposal is on acceptable terms and at a market rate. The guaranteed rent together with the profit sharing arrangement represents a good offer and the added advantages they highlight also strengthen the proposal.
13. Tenders have now been received from seven companies for the whole package of works. The tenders are currently being evaluated and are not awarded on price alone but, assuming the lowest tender was successful, they have submitted a cost of £53,627 to construct the kiosk (including fees and preliminaries).
14. Based on an assumed income of £6,700 this would equate to a period of eight years to repay the capital investment that the Foreshore Trust would need to make.
15. It is assumed that The Source would require a lease period to match their 10 year lease just started with the former White Rock Baths, on a full repairing basis and there would be an agreed negotiated rent review within this period.
16. There is currently no provision for this proposal within the current budget, but funds could be allocated from uncommitted reserves within the 2016/17 budget should the Charity Committee wish to proceed.
17. An alternative option would be for the kiosk to be advertised publicly for expressions of interest to operate it. The added time would mean that it is unlikely that the kiosk would be able to be constructed and operated for the 2016 season.
18. It should also be noted that Hastings Borough Council has existing planning consent for a smaller kiosk on the upper promenade of Bottle Alley. A tenant has not yet been secured and the lease would need to be advertised and agreed with a prospective tenant in order to proceed with the construction on a similar invest to save basis.
19. If the Charity Committee wishes to proceed then the support of the Coastal User Group will need to be sought at its next meeting on 17th March 2016.
20. Subject to the Foreshore Trust's agreement, the evaluation of tenders and an agreed programme, it is hoped that the White Rock kiosk would be operational by early summer.

---

**Wards Affected**

Old Hastings

---

**Policy Implications**

Please identify if this report contains any implications for the following:

|                                       |     |
|---------------------------------------|-----|
| Equalities and Community Cohesiveness | No  |
| Crime and Fear of Crime (Section 17)  | No  |
| Risk Management                       | Yes |
| Environmental Issues                  | Yes |
| Economic/Financial Implications       | Yes |
| Human Rights Act                      | No  |
| Organisational Consequences           | No  |
| Local People's Views                  | Yes |
| Anti-Poverty                          | No  |

---

**Additional Information**

---

**Officer to Contact**

Nick Sangster  
nsangster@hastings.gov.uk  
01424 451338

---