

Surrey Heath Borough Council

Executive

15 November 2022

Frimley Lodge Park and Lightwater Country Park Cafés – Tender outcome

Portfolio Holder:	Cllr Rebecca Jennings-Evans
Strategic Director/Head of Service	Nick Steevens
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Wards Affected:	Frimley Green and Lightwater
Key Decision:	Yes
Date Portfolio Holder signed off the report:	3rd November 2022

Summary and purpose

The leases to run the cafes at both Frimley Lodge Park and Lightwater Country Park expire on 31st January 2023 and as such, the council has carried out a comprehensive tendering process to seek bids to appoint a contractor to provide best financial return to the Council.

The tender sought quotations to operate one or both cafes for a period of 10 years (with a break clause at year 5). Three responses were received, Bidder A did not move forward to evaluation as they did not pass the minimum selection criteria.

Of the other two remaining proposals, there is one that not only provides an enhanced return to the Council, but offers a wider menu choice together with investment into the facilities to update and modernise them. This report seeks authorisation to enter into a 10 year arrangement with the most favourable tender response.

Recommendation

The Executive is advised to RESOLVE that the Council enters into a 10 year lease arrangement with Bidder C (see exempt annex) who would be providing best financial value to the Council.

1. Background and Supporting Information

- 1.1 The cafes are an important facility within both parks and offer a destination and focal meeting point for residents and visitors to come and enjoy the parks and facilities offered within.

- 1.2 Frimley Lodge Park was opened in 1986. It is a 24 hectare site that boasts a range of facilities for all ages and hosts events for all the family including lots of open space and woodland, picnic areas, seven fixed bbq plots, a large playground that was refurbished in 2019, a trim trail, miniature railway and meadows. There is also a cricket pitch, grass football pitches and a 3G which is booked out year round. In addition, a pitch and putt course is available to hire.
- The café forms part of the pavilion building within the park which also has a hatch facility for golf club hire. It currently seats around 40 covers but we also are able to open the function room area at weekends and school holidays to give much needed additional indoor seating.
- Visitor numbers continue to grow year on year, reaching circa 500,000 due to the number of activities and events that take place within the park.
- 1.3 Lightwater Country Park is situated on the edge of Lightwater Village and extends to 59 hectares. The Country Park is predominately heathland habitat, but there are also ponds, woodland, meadows and areas of scrub. These habitats offer the opportunity to observe a wide variety of wildlife, birds, mammals, plants and insects.
- In 2021, the Council introduced a new activity into the park of adventure golf which has received more than 12,500 visitors since opening in February. The café is located next to the newly refurbished playground and is proving popular with local residents and visitors from afar. This café seats around 30 people indoor together with outdoor picnic benches. It also has huge potential to use the space at the rear of the café for additional seating. The park itself also houses Lightwater Leisure Centre and it is estimated that the park receives more than 300,000 visitors annually.
- 1.4 The incumbent provider has advised through audited accounts that their current turnover is in excess of £250,000 at Frimley Lodge Park and £150,000 at Lightwater Country Park.
- The current lease expires on 31st January 2023 and the council have sought tender submissions for a 10 year lease with a 5 year mutual break clause.

2. Reasons for Recommendation

- 2.1 The financial offer from Bidder C offers the best value return to the council together with an investment plan. See Exempt Annex.
- 2.2 Bidder C are a family run company who already work for another local authority running a café in the park, so have specific experience in running parks cafes and has doubled the income since taking over in 2017 at their current venue. They work closely with community groups and forest schools at their other venues.
- 2.3 The proposed menu is much more varied than the current offering and is from farm to table fresh which is healthy and homemade at affordable prices sourced from local suppliers. This will be welcomed by customers who have provided feedback on the limited menu offer currently being provided. Their

plan is to use local suppliers who are SALSA approved where possible (safe and local supplier approved)

- 2.4 Bidder C are looking to invest in both of the cafes, refreshing the look and feel with new layouts and counters. Any changes would be subject to landlord consent and may require planning permission. They would also like to invest in the outdoor garden at Lightwater Country Park that is currently overgrown by clearing some of the vegetation and placing additional outdoor seating that mirrors the front of the café to unlock the full potential of the site
- 2.5 As part of their offer, Bidder C will employ 2 apprentices as part of the team working in Surrey Heath.

3. Proposal and Alternative Options

- 3.1 The proposal would be to award Bidder C a 10 year lease (5 years with 5 year break clause). Their offer is not only an enhanced financial package but will also see investment in both of the cafes with the aim to grow visitor numbers by improving the customer experience.
- 3.2 Bidder B's tender would result in the Council receiving less income than at present.
- 3.3 The council could choose to select neither offer and go back out to the market seeking further tenders however, the current provider's contract currently terminates on the 31st January 2023 and there would likely be a period of closure whilst a further tender was undertaken.

4. Contribution to the Council's Five Year Strategy

- 4.1 **Environment** – To enhance and improve access to the borough's cherished green spaces and natural environments for the enjoyment of generations to come, balancing our commitments to housing delivery and economic growth. We are committed to tackling climate change working with communities and partners.
- 4.2 **Health and Quality of Life** – To nurture the strong sense of community across the whole borough, fostering a sense of respect and consideration. We aim to ensure everyone can access a safe quality home to meet their needs. We will take a positive approach to supporting all sectors of our community, including those who are most vulnerable. We will promote active and healthy lives for all and a rich programme of cultural and community events.
- 4.3 **Economy** – To invest in our towns, villages and communities, supporting our existing businesses and attracting new ones. We will promote the unique identity for our whole borough and its places and work with partners to improve to the borough's infrastructure including transport infrastructure.

- 4.4 **Effective and Responsive Council** – We have listened to the views of residents, businesses and partners to set these priorities. We will continue this positive engagement through the implementation process, and we will advocate on behalf of our community on issues outside our direct control. We will increase how we work together with other Local Authorities, partners, businesses and the voluntary sector – we recognise more can be achieved by working together. Customer service will be at the heart of everything we do. We will harness the opportunities of technology to deliver efficient and effective services. We will spend public money wisely and attract resources and investment into the borough as a whole.

5. Resource Implications

- 5.1 The most favourable offer from Bidder C sees a guaranteed rent for both sites and a smaller percentage of gross turnover. This however is preferable as the guaranteed element protects the Council's income for the future as well as offering further investment into the cafes.

6. Section 151 Officer Comments:

- 6.1 The financial implications are outlined in the exempt Annex.
- 6.2 A capital bid application will be carried out to replace the flooring at Frimley Lodge Park due to its age and high levels of footfall and to support the long term investment into the cafe

7. Legal and Governance Issues

- 7.1 The lease will be prepared by Legal Services and contain provisions to reflect the Heads of Terms agreed with the provider and other provisions associated with a lease.

8. Monitoring Officer Comments:

- 8.1 Approval to grant leases is delegated to the Head of Legal and Democratic Services but is asking Executive for their recommendation due to the significant public interest in the sites.

9. Other Considerations and Impacts

Environment and Climate Change

- 9.1 Bidder C have communicated that they have a strong commitment to sustainability and run their business based on environmental and ethical principles, waste recycling and reducing plastic and emissions. They offer discounts to customers who bring with own reusable cups and encourage people to eat in the café rather than take out to reduce packaging waste.

Equalities and Human Rights

9.2 Bidder C are fully compliant with the Equalities and Human Rights Commission.

Risk Management

9.3 Awarding the leases to Bidder C will ensure the cafes are offering a destination within Frimley Lodge Park and Lightwater Country Park and bringing the best financial return to Surrey Heath Borough Council. A financial check has been carried out giving Bidder C and A- rating.

Community Engagement

9.4 Bidder C have advised they will engage with the local community by arranging times for groups to meet and chat at designated tables and developing a public noticeboard for further events.

They will encourage local artists to display their art in the cafes for free to help them generate income.

They currently work with Forest Schools by facilitating them within the cafes and will actively encourage the same at both Frimley Lodge and Lightwater Country Park.

Annexes

Annex A – details of Bids (exempt)

Background Papers

Exempt bids