

Agenda Item

Executive Board

16 November 2005

KH/AMH



World Heritage Coast: Feasibility Studies for Exmouth and Seaton Visitor Gateway centres

Summary

This report relates to the feasibility studies written by Locum Consulting on proposed world class visitor centres for Seaton and Exmouth within the context of the Jurassic Coast WHC site interpretation action plan. Both studies in their abridged form are attached for Members information. Both studies contain an Executive Summary in their introduction.

Key points to note:

- The Exmouth Gateway Visitor Centre has a preferred location at the Imperial Recreation Ground.
- Potential visitor numbers are forecast around 250,000 to 300,000 visits per annum with a building of around 2,000sqm.
- A total project cost of around £8.5 million is envisaged.
- The Seaton Gateway Visitor Centre would have potential to support visitor forecast of around 230,000 to 270,000 visits per annum.
- A scale of around 1,500sqm (including exhibition, education suite, tourism information centre, retail, catering, public support spaces and back of house space).
- Preferred option for Seaton GVC is the gateway site adjacent to the Seaton tramway Terminus and visitor car park. The project needs to be integrated into the Seaton regeneration scheme.
- A total project cost of around £7.5million is envisaged, not including the land.
- Both of the initial business plans show a range of annual income within £50,000 each side of break even.
- Both projects would not be operated by the public sector.
- Lottery fund bids and private sector investment will be essential to the development of the projects.

The potential benefits of both projects to the District and towns are considerable. Locum estimate that the economic impact of both the Exmouth and Seaton projects together is estimated at a net additional impact of £5.3m, supporting 170 jobs. For both resorts it offers the potential to re-brand the resorts on the basis of world class products. The feasibility studies are predicated upon delivering world class experience. Members may feel these projects resonate with their aspirations for both resorts and this is exactly the type of project we should be championing for both towns. Certainly there has been generally good reaction to the proposals and certainly in Exmouth the idea has won wide spread support in the context of the Unlocking Exmouth consultation exercise. The feasibility studies have been useful in shaping the vision for both centres and defining a world class product that would benefit the world heritage coast brand.

It is clear that both resorts already have an existing market interest and a range of visitor destinations and activities that provides a positive market context for the centres.

Members are being asked to give consideration to how the projects can be taken forward. In particular, the Consultants feel that it is important that market testing is undertaken early in the process and this would require funding to be secured by the project steering group. To date some additional partnership funding has been identified but this is unlikely to be sufficient to cover the full cost of the market testing. There are other funding and staff issues that need to be considered in considering the way forward and project inception and these are identified in the covering report.

Recommendation

- 1. That members welcome the report by Locum Consulting on the Exmouth Visitor Gateway Centre: Options Appraisal and Preliminary Feasibility review and support the work of the project steering group in taking this project forward to delivery.**
- 2. That members welcome the report by Locum Consulting on the Seaton Visitor Gateway Centre: Options Appraisal and Preliminary Feasibility review and support the work of the project steering group in taking this project forward to delivery.**
- 3. That subject to key stakeholders on behalf of the Project Steering Group demonstrating financial commitment to fund market testing for delivery of a Exmouth Gateway Visitor Centre (EGVC); otherwise known as a World Heritage Coast & Exe Shoreline Visitor Centre at Exmouth, the Imperial Recreation Ground be safeguarded as the potential site of a privately funded and owned EGVC; that a building zone be identified and the proposed capital programme scheme dealing with contamination at the foreshore be designed to accommodate a future building and car parking.**
- 4. That members support the inclusion within the project outline brief the inclusion of a public meeting room within the Exmouth GVC**
- 5. That members support the concept framework diagram for the location of the Seaton GVC that seeks integration of the Seaton GVC with the wider Seaton regeneration area.**
- 6. That members recognise the financial and staff resource commitment that is required from East Devon District Council to take these projects forward and indicate what they are prepared to commit to these projects, bearing in mind that neither of these projects currently feature in the capital or revenue budgets.**
- 7. That the stakeholder steering groups are requested to sign a memorandum of agreement covering the on going management of the projects.**
- 8. That a bid be made to the Living Landmarks Big Lottery Fund on behalf of both Gateway Visitor Centres as part of a single bid for the Jurassic Coast Interpretation Action Plan.**

a) Reasons for Recommendation

Locum Consulting was commissioned in April 2005 by East Devon District Council on behalf of the Exmouth and Seaton project Steering Group to carry out a feasibility assessment for the development of interpretation/education centres in the two resorts. This report seeks to confirm the Council's continued role as one of the leading partners in the steering groups in delivering key outputs of the Jurassic Coast Management Plan and Framework for Action and of the Interpretation Action Plan.

Both projects are rooted in community support and wide stakeholder commitment, both towns see the potential for these projects to significantly raise visitor numbers to the resort and to deliver world class infrastructure.

The District Council has potentially a fundamental and enabling role to play in the delivery of these projects through the council's ownership of the two sites identified as the proposed location for the centres and through its planning, regeneration and wider economic development role.

The two projects do not feature in the Council's capital or revenue programme and are capable of subsuming large resources that have the risk of effecting current priorities. Members need to be aware of these risks.

b) Alternative Options

The council could note the report and allow the other members of the steering groups to pursue these projects with minimum support from the Council.

The Council could leave this entirely to the private sector to come forward with commercial proposals.

The Council could reject the conclusions.

c) Risk Considerations

The scale of these projects could place major demands on staff time at the expense of current work programmes and priorities. Currently, there is no resource identified for taking these schemes forward.

The Council could be exposed to greater costs than envisaged in delivering the two sites through costs of site remediation and loss of value in safeguarding the sites for this purpose.

Other partners may not be able to provide sufficient financial resources to deliver key stages of the project, such that by default the greater part of the initial expense falls on the District Council.

Significant financial outlay may be involved only to find there is no private sector market interest.

The projects add to the complexity of delivering the regeneration schemes.

d) Policy and Budgetary Considerations

The policy framework for the interpretation of the Jurassic Coast is well developed and has been adopted by the Council. The regeneration context for both developments is up to date. There is no budget for these projects.

e) Date for Review of Decision

n/a

1 Main Body of the Report

Feasibility Studies for Exmouth and Seaton Visitor Gateway Centres (VGC's)

1. In March 2005 Locum Consulting was appointed by East Devon District Council to undertake feasibility studies for the two Primary Visitor Gateway Centres (VGC) at Exmouth and Seaton, proposed in the Interpretation Action Plan. The studies were funded through the South West Regional Development Agency, Devon County Council, East Devon District Council, Exmouth and Seaton Town Councils, the Exe Estuary Partnership through the Cycleau Project and Seaton Tramway. These organisations together with the two community groups, Exmouth Projects Promotion Group and Seaton Development Trust and RSPB and the World Heritage Team, formed a partnership Steering Group to guide the work of the Consultants.
2. The Consultant's brief for the two studies was for the outputs to include:
 - a view on the physical location of the centre and any related facilities;
 - a recommended size (floor space) and scope (uses to be included) for a viable centre;
 - a cost to build and fit such a centre;

- a revenue costing and how this would be achieved i.e. draft Business Plan;
 - a schedule of the recommended partners and their contributions (financial or in kind);
 - a mechanism to take the project forward together with an organisational structure;
 - a clear statement of the economic impact of such a centre, including visitor bed nights and day trips generated, anticipated visitor spend in the Centre and surrounding area, and jobs created or supported;
 - a view on the outputs required by SWRDA should a further application be made to develop a scheme.
3. In addition to the interests of the World Heritage Site, it is intended that at Exmouth the centre should also focus on the internationally important Exe Estuary. The Exe Estuary Ramsar Site and Special Protection Area (European Birds Directive) is internationally important for its birdlife of migratory waders and wildfowl. At a national level the estuary is designated as a Site of Special Scientific Interest and part of the estuary is also a Local Nature Reserve. It is one of Devon's most valuable areas for people and wildlife. The estuary and its surrounding area provide a unique place for birds, boats, bikes and many more different users. The Exe Estuary currently lacks a focus for promoting its international status and a hub for locals, schools and visitors to learn more about the site. The County Council is the host authority within the Exe Estuary Partnership. The Partnership requires an estuary-based outlet and easily accessible contact point with its users, which would be achievable through an interpretation/education centre. The proposed centre is seen therefore to provide an excellent opportunity to promote the value of the estuary, nearby coastline and promote balanced use and sustainable management of natural resources.

Key Findings of the Feasibility Studies

4. The Consultant's studies include a site options appraisal which recommend that the Exmouth VGC should be located on the Imperial Recreation Ground in a central position to the rear of that site. This links well with the town centre, has excellent panoramic views of the estuary and offers the greatest opportunity for flexibility for the proposed and any subsequent development. The recommended location for the Seaton VGC is adjacent to the Seaton Tramway Terminus and visitor car park. This project needs to be integrated into a regeneration scheme with a large retail/supermarket component and with the Tramway.
5. Both VGCs will focus on their core themes (WHS, Exe Estuary and climate change at Exmouth and WHS and Axe Estuary at Seaton) and will feature innovative use of IT and webcams, education facilities, tourist information, high quality retail and catering and public support spaces and back-of-house spaces. "Capacity checks" were undertaken to support that the proposed scale of facility is large enough to support the annual visitor numbers.
6. The Consultants are predicting that each centre could attract around quarter of million visitors per annum which together would result in £5.3m of visitor expenditure and support and around 170 additional full-time equivalent jobs. As well as being an essential part of the economic regeneration proposals for Exmouth and Seaton, the VGCs would significantly add to the tourism offer in this part of Devon and be part of the international quality associated with the Jurassic Coast World Heritage Site brand.

Implications for EDDC and Way Forward

7. The feasibility study identifies that East Devon District Council's contribution to both centres would likely be the provision of the land. In both cases this would be a significant cost to the Council, In addition there appears to be an assumption that much of the project management type work is also likely to fall to the Council even if there is private sector interest.
8. All the project partners need to be realistic from the outset about project costs and what we are prepared, and able to pay. This involves having a clear idea of budget constraints and the full range of capital, management and whole-life costs. The feasibility study has identified a figure of 10% of the project costs as the amount that will

need to be expended before the project proceeds into practical delivery. With the Exmouth centre costing around £8.5 million and Seaton around £7.5 million, Locum Consulting believe around £1.3million will be required to be met before construction starts on site. On top of this figure there is a need to recognise the risks associated with such projects and typically a contingency of between 10-20% to reflect inflation and other risks should be built into the budget. As a general rule of the total budget often less than two thirds is spent on the visible building.

- 9.. Although the early stages of the projects represent a small percentage of the overall costs, the cash flow in these early stages will be difficult, as the main funding may only become available after market testing has been completed and designs have been agreed and planning permissions given. It is essential that the project partners ensure that a realistic budget is made available for each stage of the project. Members need to understand that whilst funding may not be secure, costs are incurred for all the preliminary investigations and initial concept ideas. The following tasks will need to be actioned and therefore costs incurred:
- Submitting bid to Living landmarks lottery fund; this will require consultant's input to assist and review bid
 - Project brief needs to be fleshed out to allow project to move forward to market testing
 - Advocacy type document needs to be put together
 - Process for market testing needs to be established
 - Scope of market testing needs to be defined
 - Both projects will need to be separately managed for the purposes of taking forward site specific considerations and market testing considerations
 - Legal advice will be required for process of market testing
 - Consultants will need to be instructed to manage market testing exercise.
 - Negotiations with the private sector need to be managed
 - Site issues to be taken forward
 - Project team needs to be assembled to work through technical studies to accompany outline planning application.
 - Determine whether need for environmental assessment
 - Remediation scheme for Imperial recreation Ground to be advanced therefore check with Halcrow regarding design of capping scheme
 - Determine whether we need appropriate assessment
 - Consideration of whether a single purpose vehicle company is needed to develop the full scale visitor effectively.
10. It is clear from some initial discussions with project partners that there is very little money available in the 2005/06 budgets for advancing both projects. However, there is a window of opportunity with the Living Landmarks Big Lottery Fund that necessitates making a grant bid over the next couple of months and this should be the priority in taking this project forward. It is likely that any bid to the Living Landmarks Big Lottery Fund should be made jointly for both centres as part of an overall strategic interpretation strategy for the Jurassic Coast.
11. It is the firm advice of Locum Consulting that a market testing exercise be completed at the early stages of the project, ideally over the next six months. This should be an essential pre-requisite for the District Council's continued involvement with these projects. Market testing is required to establish private sector interest. If there is no private sector interest in taking the projects forward then it can be argued they are not viable and the Council should withdraw from the partnership. Typically, the cost of market testing the two projects is likely to be around £80,000. The other stakeholders have been asked to identify their financial contribution to taking the next stage forward. So far Devon County Council has agreed to allocate £15,000 from current budget towards the project inception stage which includes market testing. Exmouth Town Council and Seaton Town Council has approved £5,000 each towards the market testing and it is understood that Exmouth Projects Promotion Group have raised £1,000. This still leaves the projects some £54,000 short of the funds to take the projects to the next stage of market testing.

12. To date EDDC's officer support for the various steering group meetings and project work has fallen to the Council's Economic Development Officer, the Countryside Manager and the Corporate Director-Environment. Work on the lottery bid is also likely to fall heavily on the Funding Co-ordinator. Members should note that hitherto these projects have not featured in any of the capital or revenue budgets and therefore do not have a dedicated resource to take forward. The above paragraphs identify the work that will be involved should members resolve to take these projects forward. With no resource capacity available to progress the work officer support will only extend to attending steering meetings. This will not be sufficient to progress the projects. At a minimum the steering group members will need to engage consultants to carry out the immediate tasks of:
- Assisting and review the grant bids;
 - Assisting discussions on development planning in Seaton and Exmouth in addressing site specific issues;
 - Assisting with the advocacy of the projects;
 - Assisting discussions on private sector market testing.
13. Should members wish to support taking these projects forward, they have to recognise that the steering group members are unlikely to have the means to cover the £1.3million costs associated with taking both projects forward to the point where construction can commence on site. Clearly, we can explore with the SWRDA, Devon County Council, both town councils, and local stakeholders their potential to meet these costs, however, it is unlikely that these organisations are going to be able to cover this entire cost; even assuming that private sector interest has been secured to meet the overall build costs. The feasibility studies assume a lot in the business case about cross subsidy from possible commercial developments in the vicinity of the sites at Seaton and Exmouth. In both cases the assumption is that commercial development can cross subsidise these developments. There is unlikely to be sufficient value in the sites to cross subsidise the delivery of these projects to the level identified in the feasibility studies. Furthermore, in reality this would have to be the Council as landowner subsidising the buildings through capital receipts. Therefore in built in these feasibility studies is a level of East Devon District Council funding direct and in-direct that is greater than is self-evident representing £millions. Members must be aware of this. In essence these two projects will by default become major capital and revenue issues for the Council that could, if allowed, subsume all available potential capital funding.
14. Given the different stakeholders involved so far in the project, there is potential for different views to emerge about how the project should take shape, and indeed how the projects should be managed and delivered. Eventually it may be necessary to establish a single purpose vehicle company with dedicated project management and clear financial responsibility. The danger with an informal grouping is that one or two stakeholders may wish to take the project in a direction at odds with other views. Not all stakeholders will make the same financial contribution, indeed it appears that some will not make any financial contribution. Therefore if the Council is to commit to these projects members should establish some essential protocols on the project management, reporting mechanisms and the limits to EDDC's involvement. Given the risks associated with pursuing such projects, in terms of revenue and capital support it is desirable that the steering group partners set out via a memorandum of agreement the nature of their commitment to the projects. It is important that members understand at this stage that should EDDC support these projects through providing land the Council would be by some way the largest contributor to these projects providing in excess of 10% of the development costs.
15. An urgent issue is the continued involvement of Locum Consulting, if Locum's specialist input is to continue over the next 6 months whilst a bid is prepared for a lottery funding and to prepare for market testing, funding has to be identified from the project steering group partners.

Legal Implications

There are no legal implications to report at this stage.

Financial Implications

To be reported at the meeting

Consultation on Reports to the Executive

Reports to the Executive re the budget/policy framework must detail the nature, extent and outcome of consultation with stakeholders and relevant Overview Committees. Reports about other matters must give details and outcome of consultation as appropriate

Background Papers

□ Background Papers

- Locum Consulting: Exmouth Visitor gateway centre: Options Appraisal and Preliminary Feasibility Review, September 2005
- Locum Consulting: Seaton Visitor gateway centre: Options Appraisal and Preliminary Feasibility Review, September 2005
- Seaton Development brief
- Unlocking Exmouth, September 2004
- Framework for Action June 2003
- Jurassic Coast Interpretation Action Plan, March 2005

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Overview Committee/Executive Board
3 November/16 November 2005