

CABINET	
Meeting Date	23 September 2020
Report Title	Faversham Recreation Ground – Refreshment Kiosk Lease
Cabinet Member	Cllr Tim Valentine, Cabinet Member for Environment
SMT Lead	Martyn Cassell, Head of Commissioning, Environment and Leisure
Head of Service	Martyn Cassell, Head of Commissioning, Environment and Leisure
Lead Officer	Graeme Tuff, Greenspaces Manager
Key Decision	No
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet agrees to enter a lease with HatHats Coffee Faversham Ltd. 2. That delegated authority be given to the Head of Property Services to agree final terms in consultation with the Cabinet Member for the Environment. 3. The Head of Mid Kent Legal Services be authorised to complete the necessary legal formalities in due course.

1 Purpose of Report and Executive Summary

- 1.1 This report sets out the proposals for a lease of part of The Lodge at Faversham Recreation Ground, Faversham (as shown on the attached plan at Appendix I) to HatHats Coffee Faversham Ltd.

2 Background

- 2.1 Faversham Recreation Ground is owned by Faversham Municipal Charities and leased by the Council under a 50-year lease dated August 2010. As such the Council is responsible for the management and maintenance of this important town centre site.
- 2.2 The Lodge at Faversham Recreation Ground was built in the 1860's and for many years was gardeners and staff accommodation before an agreement was made with Faversham Rugby Club to use the building as their "home" and social premises. This agreement was recently renewed but excluded the area of the newly developed refreshment kiosk.
- 2.3 The Lodge is a significant Grade II listed building over two storeys and its recent refurbishment forms part of the Faversham Recreation Ground Heritage Lottery Improvement Project. This work involved not only refurbishing the current

structure and putting back some of the lost heritage features such as bricked up windows, but also reconfigures part of the building to provide a café/kiosk and public toilet to increase facilities for users of the recreation ground. The improvement project also seeks to ensure that the recreation ground is more sustainable into the future, meeting the needs of the community, but with additional streams of income to help fund maintenance.

- 2.4 The Council advertised an Expression of Interest in March 2020 for the occupation, management and internal maintenance of the kiosk as a refreshment concession. Despite advertising widely and communicating the EOI to Faversham Town Council and Faversham Traders Association only one expression was received from HatHats Coffee Ltd.

3 Proposals

- 3.1 The proposal submitted was of high quality and the company have extensive experience managing similar facilities at Reculver Country Park for Canterbury City Council. It would see the future management of the new kiosk at the front of the Lodge, used and maintained along with an outside seating area and the right for additional pop up facilities within the Rec. In addition, they will also manage the single toilet facility located at the Lodge.
- 3.2 The terms of the proposed lease provide for the company to be responsible for maintaining the interior of the kiosk and all utilities and outgoings associated with it. The Council retain responsibility for the exterior given its importance as a heritage asset and the investment committed to the building as part of the improvement project.
- 3.3 The proposed lease is for 10 years and there will be a tenant break clause at the end of the third year subject to serving 6-month notice. Details of the rent are included in the Heads of Terms as exempt Appendix II.
- 3.4 In addition, HatHats Coffee's core driver is to pledge a minimum of 20% but a target of 25% of all net profits to community projects in addition to any allocated marketing spend attributed to the outlet. The kiosk will therefore play an integral part in sponsoring the provision of community events within the Rec.

4 Alternative Options

- 4.1 The alternative option would be to leave the concession kiosk empty or advertise again to find an alternative tenant for the building, however with the desire to secure additional income, provide the enhanced facilities for the community and given the high quality of the submitted EOI, it is believed the current proposal is the preferred option.

5 Consultation Undertaken or Proposed

- 5.1 The Council and its consultants have undertaken considerable consultation on the Recreation Ground Improvement Project and there is significant public support for a catering/refreshment outlet on site.
- 5.2 The Council's Faversham Recreation Ground Improvement Project Board have been kept up to date throughout the process and have supported the proposal submitted by HatHats Coffee Faversham Ltd.
- 5.3 Faversham Municipal Charities agreement to a sub-lease is required under the terms of the Council's lease. As such they confirmed by email agreement to the draft Heads of Terms on 29 July 2020.

6 Implications

Issue	Implications
Corporate Plan	The letting of the building is being proposed and supports the priorities of the Corporate Plan
Financial, Resource and Property	The proposed lease will result in a rental income for the Council. The details of this are shown in the exempt appendix II
Legal, Statutory and Procurement	Legal Services will be required to prepare a new lease. The Expression of Interest process was followed to ensure the Council meets its obligations under procurement and concession legislation.
Crime and Disorder	It is hoped that with increased use and additional facilities on site that anti-social behaviour will be driven down.
Environment and Sustainability	HatHats as a company are committed to eliminating single use plastic by 2025 and have already phased out plastic water bottles, plastic straws and are working on a scheme to generate biofuel from used coffee grounds by 2021.
Health and Wellbeing	Continued/increased use of the Recreation Ground for physical activity and visits, by appealing to a new market. In addition, the support and association with the planned activities will enhance the offer and participation.
Risk Management and Health and Safety	None anticipated.
Equality and Diversity	None anticipated.

Privacy and Data Protection	None anticipated.
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7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: The Lodge, Faversham Recreation Ground Location Plan
- Appendix II: Exempt paper providing Heads of Terms

8 Background Papers

None