

	<p align="center"><b>REPORT TO CABINET TO BE HELD ON 16 SEPTEMBER 2014</b></p>	
	<p><b>Key Decision</b></p> <p><b>Forward Plan Ref No</b></p>	<p><b>YES</b></p> <p><b>41</b></p>
<p><b>Corporate Priority:</b></p> <p><b>Prosperous Inclusive &amp; Vibrant Quality Environments</b></p>	<p><b>Cabinet Portfolio Holder</b></p>	<p><b>Cllr. Mike Cockerill</b></p> <p><b>Cllr. Derek Bastiman</b></p>

**REPORT OF: DIRECTOR OF BUSINESS SUPPORT – 14/312**

**WARDS AFFECTED: CASTLE**

**SUBJECT: OUTCOME OF FUTURIST TENDER BID**

### **RECOMMENDATION (S):**

Cabinet is recommended to note the outcome of the tender process in respect of the proposed development of the Lower Tier (Futurist) site and approve either:

**Option A     Appoint Bidder B as the preferred bidder; or**

**Option B     Reject Bidder B as the preferred bidder.**

Depending upon Cabinet's preferred option the following sub-recommendations require approval.

#### **Option A -**

- (1) Authorise Officers to progress discussions with Bidder B to clarify the tender documentation submitted by:
  - (a) Approving in principle the inclusion of King Street Car Park within the Lower Tier development site;
  - (b) Approving in principle the inclusion of a parcel of land within St Nicholas Gardens within the Lower Tier development site, as detailed in the plan attached at Appendix D;

- (c) Approving in principle the Council taking responsibility for the demolition of the Futurist building, site clearance and stability of the slope to the rear, noting:
- Officers are proceeding to obtain appropriate permissions for the potential demolition;
  - Officers will obtain quotations from suitably experienced contractors for the demolition of the Futurist building, reclamation of assets, site clearance and stabilisation of the slope.
- (d) Approving in principle that a public access be created through the Upper Tier site to provide the aspirational connectivity between the Upper and Lower Tier Sites and authorising officers to explore options available in this regard;
- (2) Approve a budget of £60,000 to allow relevant preparatory works in regards to the demolition of the Futurist building to be undertaken.
- (3) Authorise Officers to undertake appropriate due diligence with a requirement that Officers bring a progress report back to Members.
- (4) Authorise Officers to negotiate terms with the HCA for acquiring their asset holdings in the Lower Tier Site.

**Option B –**

- (5) Instruct Officers to critically assess the potential demolition of the Futurist building to establish a clear development site for the Lower Tier site and authorise Officers to obtain quotations from suitably qualified contractors in this regard;
- (6) Establish a budget of £60k to allow relevant preparatory works in regards to the potential demolition of the Futurist building to be undertaken;
- (7) Instruct Officers to consider alternative proposals for the development of the Lower Tier site and note that it may be beneficial for the Lower Tier and Upper Tier sites to be developed together;
- (8) Authorise Officers to negotiate terms with the HCA for acquiring their asset holdings in the Lower Tier Site;
- (9) Instruct Officers to report back to Members.

**REASON FOR RECOMMENDATION (S):**

To allow Members to consider whether the conditionality associated with Bidder B's proposals is acceptable to the Council and whether Officers should progress the development opportunity put forward for the Lower Tier site.

To establish a budget to conduct preparatory work for the potential demolition of the Futurist building and clearance of the site.

To consider options available to retain the ownership of the whole of the Lower and Upper Tier site in the Council's control.

To progress future options for the Lower Tier development site if Bidder B's proposal is not accepted.

**HIGHLIGHTED RISKS:** See attached risk matrix at Appendix A

## **1. INTRODUCTION**

- 1.1 In March 2012 the Council and the Homes and Communities Agency (HCA) entered into a Joint Venture Agreement for the purpose of redeveloping and regenerating the Town Hall and wider site. The HCA's property investment in the Joint Venture (JV) consists of the Former Mermaid Pub and Fish and Chip Shop, and the Council's property investment includes the Town Hall (excluding Civic and CCTV), King Street Car Park and the Futurist Theatre site (including land to the rear of the Futurist).
- 1.2 In November 2013 Council (13/359) approved a JV budget to progress the development of the entire site up to the appointment of a preferred developer; and the JV Delivery Team, which is made up of Officers from the Council and HCA, undertook soft market testing to establish the development potential of the site.
- 1.3 In May 2014 Members were presented with a report (14/171) which set out that one of the requirements of the procurement of a developer for the Town Hall site was the retention / provision of on-site Council office accommodation. This requirement would result in the need to undertake a formal EU tender via OJEU, which would be both time consuming and resource hungry. Both parties recognised however that there was an immediate development opportunity on the Lower Tier site (i.e. the Former Mermaid Pub, Fish and Chip Shop and the Futurist Theatre, including land to the rear) and that Members and the local community were of the opinion that all steps should be taken to ensure that this key sea front site was not allowed to remain empty and suffer deterioration for any longer period than absolutely necessary. Members therefore approved that the overall development be divided into two phases; being the Upper Tier (incorporating the Town Hall and King Street Car Park) and Lower Tier.
- 1.4 As the Council is the sole owner of properties contained within the Upper Tier site the HCA will have the ability to exit the JV following successful completion of the disposal of the Lower Tier site.

- 1.5 This report provides an update on the outcome of the tender exercise that has recently been conducted for the Lower Tier site.

## **2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN**

- 2.1 This report contributes to Corporate Aim 2 (Prosperous); Aim 3 (Inclusive and Vibrant) and Aim 4 (Quality Environments).

## **3. BACKGROUND AND ISSUES**

- 3.1 In May 2014 (14/171) Members approved that the Lower Tier site would be taken straight to market as Phase One of the Town Hall and the wider area development and approved in principle a Disposal Strategy for the site. Final approval of the Disposal Strategy was delegated to the JV Board (which consists of the Portfolio Holder for Strategic Planning and Regeneration and Director of Business Support alongside two representatives from the HCA).

- 3.2 Alongside background information relating to the property holdings in the Lower Tier Site the Disposal Strategy set out the following:

- Proposed method of sale
- Disposal Terms
- Marketing approach
- Information required from the bidders
- Details of how the bids would be assessed

The final version of the Disposal Strategy is attached at Appendix B. The key aspects pertaining to each of the above areas are detailed below:-

### **Proposed Method of Sale**

- 3.3 The Disposal Strategy sets out a number of methods available to the Council for selling sites in different situations and concluded that an informal tender process was the preferred option for the Lower Tier site.
- 3.4 The process commenced in June 2014 with a closing date for receipt of tender submissions set at 15 August 2014.

### **Disposal Terms**

- 3.5 The disposal of the Lower Tier site was offered on a leasehold basis for a term of 250 years (though flexibility was offered on this duration). The lease would be for a use of the site as primarily entertainment/leisure facilities in accordance with the Planning Brief however ancillary uses which did not contravene the Planning Brief would be considered.

- 3.6 The Council and the HCA are the owners of the property which make up the Lower Tier site. The site was jointly marketed and bids were invited on a joint site basis only. As it is a joint sale both the Council and the HCA must agree to accept a bid on the terms proposed.

### **Marketing Approach**

- 3.7 The marketing campaign consisted of the following:
- An advert in the Estates Gazette and Property Weekly
  - A dedicated web page through the Council's website
  - A For Sale sign on the frontage of the Futurist building
- 3.8 An information pack was made available to download from the dedicated web page. The pack contained:-
- Site and location plans;
  - Title information;
  - Infrastructure highways and service information;
  - Planning Brief;
  - Relevant surveys;
  - Guidance on submitting offers and a tender pro forma.

### **Information required from Bidders**

- 3.9 Bidders were required to present their scheme proposals, expertise and suitability for the project as well as their financial offers and proposed structure for the transaction by the deadline of 15 August 2014.

### **Connectivity and Planning Brief**

- 3.10 The Council's Planning Brief (adopted in 2012) sets out an aspiration for the Upper and Lower Tier site to be developed cohesively in order to create a physical gateway between the town and the south bay. It was acknowledged that this aspiration would likely require provision of public realm linking the two sites. As part of their submissions bidders were requested to detail how connectivity between the Upper and Lower Tier sites would be achieved.
- 3.11 The Futurist and Town Hall Development Brief is available to download from the Council's website. The evaluation assessment contains a pass / fail minimum criterion in respect of the proposal's compliance with the mixed use requirements of the Planning Brief. For ease of reference the matrix applicable to the Lower Tier site is attached at Appendix C.

### **Potential Capital Contribution**

- 3.12 The Disposal Strategy and previous Council reports outlined that the Council may consider making a capital contribution to the development of the Lower Tier site.

- 3.13 This contribution reflects that public realm works may be incorporated into the scheme to provide the aspirational connectivity between the Upper and Lower Tier. The Lower Tier site in isolation could also be perceived to have a negative value given the level of demolition and slope stability works needed to prepare the site for development, alongside the planning requirement to retain leisure/entertainment uses on the site frontage, which have lower levels of investment return than residential or retail uses.

## **4. CONSULTATION**

- 4.1 There has been consultation during the review undertaken by Futurist Task Group, during the development of the Futurist and Town Hall Planning Brief and the Town Hall Accommodation Review.
- 4.2 There has been consultation between the Council and the HCA through the governance arrangements of the Joint Venture Agreement and the HCA have independently scored the bids submitted for the Lower Tier site.

## **5. ASSESSMENT**

- 5.1 The Disposal Strategy for the Lower Tier site provided a scoring mechanism to assess each bid received. The scoring criteria are attached at Appendix D, however the key aspects are provided below.

- a) 4 minimum pass / fail criteria were established, being;
- The financial standing of the purchasing body
  - The technical ability to deliver leisure developments of a similar scale and nature to those proposed
  - Does the proposal accord to the mixed-use requirements of the Planning Brief?
  - Is the scheme deliverable in terms of conditionality?
- b) In addition to the pass / fail criteria there were quantitative / qualitative criteria, being:
- Price (50%)
  - Leisure Offer (50%)

- 5.2 The Council received two tender submissions by the deadline of 15 August.

- 5.3 Each bid was independently assessed by Officers from the Council and HCA.

### **BIDDER A**

- 5.4 Bidder A's tender submission sets out that their development would comprise:
- A food / restaurant concept, which would be central to the vision for the site

- Children's Soft Play
- Retail and Leisure Units
- Hotel accommodation for a 22 bedroom boutique hotel
- 34 residential units

### **Accordance with the Planning Brief**

- 5.5 Appendix C to this report provides an indication of the acceptable land uses for the Lower Tier, as contained within the Planning Brief. The document sets out that leisure and entertainment facilities are actively encouraged for the ground floor of the Futurist site, 'Active' Town Centre uses' such as retail and cafes should be secondary uses, and hotel and residential accommodation should be ancillary to the frontage or to the rear of the development.
- 5.6 Bidder A's proposal assigns the role of leisure / entertainment offer on the ground floor frontage to the food and restaurant concept and argues that this would be a visitor attraction. Although this is noted there is a concern that this use would instead be classified as an 'Active Town Centre use' which should be secondary for this area. The plans show that the ground floor frontage predominantly comprises the food and restaurant concept along with other leisure and retail units. As a result there is a risk that the proposal would not comply with the sequential approach as set out in the Planning Brief, which seeks to protect the retail function of the established town centre.
- 5.7 The children's play area and hotel element of the proposal are considered to comply with the Planning Brief.
- 5.8 The use comprising the largest proportion of the building is the residential apartments. The Planning Brief indicates that such use on the Futurist site shall be to the rear or limited ancillary. The amount of residential use proposed, combined with this being the dominant use for the building frontages above ground floor level, leads to the conclusion that this would not comply with the guidance in the Planning Brief.
- 5.9 The proposed building would be 6 stories across the entire width of the Lower Tier site. There is concern that the mass/bulk of the building would not comply with guidance in the Planning Brief which seeks to protect the character of the adjacent Conservation Area, especially the Old Town to the north. The proposals do not step down towards this end of the site as suggested in the Planning Brief. Whilst the sketch of the proposals submitted is only illustrative, it does not help to allay these concerns by presenting an innovative or exemplary design.
- 5.10 The assessment of the bid against the Planning Brief highlights 3 potential concerns. Since the focus of the Planning Brief is to encourage appropriate development, Officers have sought to consider the proposals in a positive light, assessing whether they could be readily adapted to be more consistent with the Planning Brief. However, taken cumulatively, together with the various constraints affecting the site, it is difficult to see how they could be modified without some fundamental changes, which in turn may affect other

non-planning aspects of the bid. Whilst Bidder A's bid has some merits, it is concluded on balance that these are outweighed by its negative aspects, so it consequently FAILS this criterion.

- 5.11 The bidder has stipulated that their bid is subject to the achievement of satisfactory planning for their proposed scheme. Given that the proposal does not accord with the mixed use requirements of the Planning Brief the proposal is deemed unlikely to obtain planning permission therefore also fails the deliverability criterion in respect of the attached conditionality. On the basis that the proposal does not meet the minimum pass / fail criteria this scheme is not recommended for progression.

### **BIDDER B**

- 5.12 Bidder B's tender submission sets out that their development would comprise a visitor attraction showcasing and displaying three distinct environments consisting of 'subterranean, on the coastline and sky' consisting of:

- A 'landmark Pebble' building with a magical cave themed indoor environment
- A glass-fronted building with water cascading down the front
- A 'high octane, adrenaline fuelled' roller coaster
- A 55 metre 'iconic' lighthouse structure and Space Shot Tower which propels guests 55 metres into the sky
- A walk through aviary
- A new town square for Scarborough (on the site of King Street Car Park)
- An elevated dining venue giving diners views of the North Sea
- An undercover botanical garden (on a parcel of land within St Nicholas Gardens)
- 10,500 sq ft of potential residential, office or hotel space

The Bidder has confirmed that no cinema offer would be located within the development.

- 5.13 Although there are a number of conditions attached to Bidder B's submission the satisfaction of the conditions are within the Council's control therefore the bid is deemed to have met the minimum pass / fail criteria. Members are asked to consider each of the conditions attached to Bidder B's submission to determine whether the proposal should be progressed further. A summary of each condition is detailed below:

### **King Street Car Park**

- 5.14 Bidder B's submission is predicated upon the Council including the King Street Car Park within the Lower Tier development site. Although this parcel of land was included within the overall Town Hall and wider development site it was envisaged that this would be disposed of as part of the Upper Tier.



- 5.15 The Car Park site was not advertised for sale as part of the informal tender process and Officers need to explore the legalities of including this site as part of the Lower Tier disposal. The developer has intimated that the *'ability to draw land will be subject to the agreement of detailed terms between the parties, but it is envisaged that this will be drawn at the prevailing market value, having regard to the proposed scheme'*.
- 5.16 Report recommendations ask Members to approve in principle the inclusion of King Street Car Park within the Lower Tier development site. This will allow Officers to undertake the necessary due diligence in regards to the disposal and progress negotiations with Bidder B.

### **Parcel of Land within St Nicholas Gardens**

- 5.17 Bidder B's submission is predicated upon the Council including a parcel of land within St Nicholas Gardens within the Lower Tier development site. This land is outside of the Town Hall and wider development site. A red line plan of the indicative land requested by the developer is attached at Appendix D, however the exact area has not been quantified by the developer at this stage. The developer has noted that the balcony area between St Nicholas Gardens and Foreshore Road are both of historic interest and of Listed status and will be maintained as part of their proposed scheme.
- 5.18 It was not envisaged that the Council would dispose of any land within the St Nicholas Garden Area, and as such the land has not been advertised for sale, therefore the legalities of including this site as part of the Lower Tier disposal will again need to be explored. The developer has intimated that the *'ability to draw land will be subject to the agreement of detailed terms between the parties, but it is envisaged that this will be drawn at the prevailing market value, having regard to the proposed scheme'*.
- 5.19 This land is classified as Public Open Space and, as such, if it is to be included within the Lower Tier development site, Officers would not only need to undertake due diligence in regards to the disposal but would also need to place an advert on the site and in the local paper for a period of 2 weeks. Any objections raised to the proposal would be presented to Members for their consideration. This is in accordance with Section 123 of the Local Government Act 1972 (s123 LGA 72).
- 5.20 Further negotiations are required with the developer to determine the exact area, location and use of the land requested. Once these details have been determined, and subject to Members agreement to progress with Bidder B's proposal, Officers will undertake the necessary advertising.
- 5.21 Report recommendations ask Members to approve in principle the inclusion of a parcel of land within St Nicholas Gardens within the Lower Tier development site and authorise Officers to take actions to comply with s123 LGA 72.

## **Demolition of the Futurist Building and Slope Stability Works**

- 5.22 Bidder B's submission requires the Council to demolish the Futurist building and stabilise the slope to the rear at its own cost. The financial offer submitted by the Bidder is a minimum price and once the site is cleared an open market valuation of the land will be undertaken to determine the relevant market uplift to the minimum price.
- 5.23 As part of the developer's financial modelling they have undertaken soft market testing for the cost of demolition and asbestos removal and have advised that a budget figure of £600k should be allowed for this element. Officers have not yet verified this budgeted figure and would seek to undertake competition between its framework contractors for the demolition works and reclamation of assets within the building. Prior to any actual demolition works taking place the Council would need to obtain relevant permissions.
- 5.24 The developer has not undertaken any soft market testing in regards to the slope stabilisation works. In terms of the stability of the cliff, a ground investigation was carried out to the lower tier site for Yorkshire Forward in 2008, and has indicated no significant ground issues. A ground investigation of the upper tier was also carried out in 2014, the results of which are still awaited. A structural inspection in 2014 identified the rear wall as being a gravity retaining wall supported by buttresses. Therefore, there is a potential for slope instability following removal of the building and the demolition strategy needs to ensure the retaining function of the rear and perimeter of the building which will be addressed as part of any application.
- 5.25 Recommendations ask Members to approve in principle to demolish the Futurist building and undertake stabilisation works to the rear slope and authorise Officers to obtain appropriate permissions and quotations to fulfil these requirements.

## **Public Access through the Upper Tier site**

- 5.26 One of the Council's aspirations is that a physical gateway be created between the Town Centre and Foreshore, therefore bidders were asked to detail in their submissions how they would establish connectivity between the Upper and Lower Tier site. Bidder B has placed a condition within their proposal that public access be established and retained through the Upper Tier site. This will provide them with assurance that the Lower Tier site will remain easily accessible from the Town Centre regardless of the nature of development on the Upper Tier.
- 5.27 Presently there is not an established public right of way through the Upper Tier site. Bidder B's request is to create a dedicated and direct linkage from St Nicholas Street to the Lower Tier. It should be noted that the granting of this request may restrict development opportunities on the Upper Tier site.

- 5.28 Recommendations requests Members to approve in principle that a public access be created through the Upper Tier site and authorise Officers to explore options available in this regard.
- 5.29 Subject to Members accepting in principle the conditions attached to Bidder B's proposal Officers will enter into detailed negotiations with the Bidder; with a view to resolving identified issues, drafting Heads of Terms and providing an update report to Members in November.

### **HOMES AND COMMUNITIES AGENCY**

- 5.30 As Members will be aware, the HCA inherited its Futurist asset holdings following the disbanding of Yorkshire Forward. Whilst the HCA is committed to regeneration in the Borough, is very supportive of progressing with Bidder B, and sees the benefits offered by the proposal they have an overriding objective of disposing of their asset holdings by 31 March 2015.
- 5.31 To this end, whilst continuing to support the Council's aspirations for the Lower Tier and wider development, the HCA has recognised that to bring Bidder B's proposal to fruition or to recommence a procurement / disposal exercise for the Lower Tier site will take them past their asset disposal deadline.
- 5.32 At a recent JV Board meeting a discussion was held on whether it would be beneficial for the Council to buy the HCA out of their Futurist Asset holdings, which are valued for existing use on the open market at £115k. As the HCA does not have any asset holdings in the Upper Tier it was always acknowledged that they would have the opportunity to exit the JV following the disposal of the Lower Tier site. The proposal now offered would give the Council complete control over the whole of the Upper and Lower Tier site and, more importantly, ensure that all asset holdings in the Lower Tier are retained in public ownership. The merits of this option will be considered by Officers and proposals will be reported back to Members in November.

### **OPTIONS AVAILABLE TO THE COUNCIL IF BIDDER B's PROPOSAL IS NOT ACCEPTED**

- 5.33 If Bidder B's submission is not accepted the Council must consider the opportunities available for the development of the Lower Tier site.
- 5.34 Although only two bidders submitted tenders it is acknowledged that the Lower Tier site in its current form (i.e. not cleared and stabilised), along with the relatively short period of time bidders were given to submit proposals, could have deterred potential developers. Officers are aware that other developers expressed interest in the site, particularly if the site was offered clear of existing buildings and the Lower Tier was put out for development alongside the Upper Tier.

- 5.35 Given that Bidder A or Bidder B did not express any interest in retaining a theatre of any form within their development proposals consideration must be given to the development opportunities that may be derived from demolishing the Lower Tier Futurist buildings and clearing the site. Members are recommended as part of this report to instruct Officers to critically assess the potential demolition and obtain quotations from framework contractors in this regard with a view to reporting back to Members in November.
- 5.36 The key driver for the adoption of an informal tender process for the Lower Tier site in isolation was the speed in which the disposal could be delivered. This was partly driven by the HCA's objective to dispose of its assets by the deadline of 31 March 2015. It is now apparent that developers would be interested in taking forward the Upper and Lower Tier as a whole. Given that the HCA are willing for the Council to buy its asset holdings in the Lower Tier from it the progression of a competitive dialogue tender process for the entire site may be a suitable way forward to deliver the development in its entirety.

## **6. IMPLICATIONS**

### **6.1 Policy**

There are no policy implications as a result of this report.

### **6.2 Legal**

There are several legal implications arising from the potential acceptance of Bidder B's proposal; particularly in relation to the inclusion of King Street Car Park and an area of St Nicholas Gardens within the Lower Tier development area and the Council potentially being required to provide a subsidy. The Council will undertake due diligence checks in respect of any legal, procurement, State Aid, Title and covenant issues and these will be reported back to Members in due course.

### **6.3 Financial**

- 6.3.1 The direct revenue implications associated with the disposal of the Lower Tier site are a loss of rental income from the Futurist units (£37k per annum), offset partly by cost savings in regards to the Futurist Theatre (£15k per annum).
- 6.3.2 One of the conditions attached to Bidder B's submission is that King Street Car Park also be disposed of as part of the Lower Tier site. The Council currently generates net income of £18k per annum from this site.
- 6.3.3 The direct net revenue cost to the Council of Bidder B's proposal is therefore £40k per annum. If Members recommend that negotiations be progressed with Bidder B this cost will be included as budgetary growth in the 2015/16 Medium Term Financial Plan. It is however recognised that dependent on the timescales for demolition and site disposal this budget may not be needed in its entirety in that year.

- 6.3.4 Although minimal monies are currently expended on the Futurist building there is a risk that dilapidations and vandalism could pose a substantial financial risk to the Council the longer the building remains standing and vacant. The Council does not have an established budget to undertake any such works therefore they are not quantified as cashable savings in the above assessment; however the reductions in the Council's maintenance obligations will substantially reduce if the Futurist site is disposed of. In addition the Council paid a subsidy of £80k to operate the Futurist Theatre in its last year of operation. This saving has already been taken into account in the Council's revenue budget.
- 6.3.5 Members will be aware that under the localised business rates scheme the Council retains 40% of the business rates it generates. The additional business rates attributable to Bidder B's development cannot be quantified at this stage, however it is envisaged that they would not be insignificant. In addition the development of the Lower Tier site would likely encourage more regeneration in the locality, which would increase the Council's business rates share further.
- 6.3.6 Regardless of whether Members proceed with Bidder B's proposal consideration must be given to the potential development benefits that could be derived from clearing and stabilising the Lower Tier site. The costs of undertaking these works has not been quantified at this stage, however details will be reported back to Members in November. In order to undertake preparatory works for the potential site clearance it is proposed that a budget of £60k be established. This budget will be funded from one-off monies set aside in the current year's budget for the operating subsidy of the Futurist Theatre, which was subject to a suitable operator being found.
- 6.3.7 Due to the nature of their proposal, and the complexities of developing the Lower Tier site Bidder B is still reviewing the financial business case for their scheme. As their proposal contains extensive public realm works and innovative linkages with the Upper Tier site there may be a requirement for the Council to provide a subsidy to the scheme if it wishes for it to progress. The level of subsidy cannot be quantified at this stage and further details will be ascertained if negotiations with the bidder are progressed. Details of any such subsidy will be reported back to Members in November.

#### **6.4 Planning Implications**

The bids have been assessed against the Futurist and Town Hall Development Brief. Any proposals progressed would require the relevant planning permissions to be obtained.

The demolition of the Futurist building will require relevant planning permissions.

## 6.5 Crime and Disorder, Health & Safety and Environmental Implications

The Futurist building is currently standing vacant and may become subject to anti-social behaviour. As the building contains asbestos and continues to deteriorate a health and safety risk may arise requiring remediation.



**Nicholas Edwards**  
**Director of Business Support**

### **Background Papers:**

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT Nick Edwards  
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Risk Matrix

<b>Risk Ref</b>	<b>Date</b>	<b>Risk</b>	<b>Consequences</b>	<b>Mitigation</b>	<b>Current Risk Score</b>	<b>Target Score</b>	<b>Service Unit Manager/ Responsible Officer</b>	<b>Action Plan</b>
1	Sept 14	Cabinet does not agree to proceed with either Bidder	<ul style="list-style-type: none"> <li>• Development does not proceed</li> <li>• Futurist buildings continue to deteriorate</li> <li>• Loss of confidence in the Council and regeneration aspirations</li> <li>• Adverse publicity</li> <li>• Pressure to re-open the Futurist Theatre</li> <li>• Opportunity to remarket the site</li> </ul>	Recommendation (vi) of the report	B4	B4	DBS	
2	Sept 14	Cabinet does not accept the conditions attached to Bidder B's proposal	<ul style="list-style-type: none"> <li>• Development does not proceed</li> <li>• Futurist buildings continue to deteriorate</li> <li>• Loss of confidence in the Council and regeneration aspirations</li> <li>• Adverse publicity</li> <li>• Pressure to re-open the Futurist Theatre</li> </ul>		B4	B4	DBS	
3	Sept 14	Bidder A successfully challenges the decision to fail their submission	<ul style="list-style-type: none"> <li>• Delay in proceeding with Bidder B</li> <li>• Resources expended on defending the Council's</li> </ul>	Disposal Strategy Published evaluation criteria Published Planning Brief	A4	A4	DBS	

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
			<ul style="list-style-type: none"> <li>position</li> <li>• Loss of confidence in the Council</li> </ul>					
4	Sept 14	The in principle inclusion of King Street Car Park and / or St Nicholas Gardens in the Lower Tier site is subject to legal challenge	<ul style="list-style-type: none"> <li>• Delay in proceeding with Bidder B</li> <li>• Potential loss of Bidder B</li> <li>• Resources expended on defending the Council's position</li> <li>• Loss of confidence in the Council</li> <li>• Adverse publicity</li> </ul>		B3	B2	DDLS	Legal due diligence
5	Sept 14	Adverse public reaction to the in principle inclusion of public open gardens in the Lower Tier site	<ul style="list-style-type: none"> <li>• Delay in proceeding with Bidder B</li> <li>• Resources expended on defending the Council's position</li> <li>• Adverse publicity</li> </ul>		C3	C2		Due diligence prior to decision to advertise Communication strategy
6	Sept 14	Demolition costs are unaffordable	<ul style="list-style-type: none"> <li>• Scheme is unviable</li> <li>• Reprioritisation of Council resources</li> <li>• Building continues to deteriorate</li> <li>• Health and safety risks</li> <li>• Eye sore on prime seafront location</li> <li>• Regeneration opportunity stalls</li> </ul>	Structural and ground investigation surveys undertaken Soft market testing for demolition	B3	B2	DDLS	Obtain quotations
7	Sept 14	Extent and cost of stabilisation works exceed expectation	Remedial measures prohibit development	Structural and ground investigation surveys undertaken	E5	B2	DDLS	Undertake further Surveys and due diligence Obtain quotations



## Glossary of Terms

Risk objectives	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation the risk	The processes and procedures that are in place to reduce the risk
Current Risk Score measures in place	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives affected by the risk identified.	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager risk	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

## Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
		A	B	C	D	E
		Likelihood				

### Likelihood:

A = Very Low  
 B = Not Likely  
 C = Likely  
 D = Very Likely  
 E = Almost Certain

### Impact

1 = Low  
 2 = Minor  
 3 = Medium  
 4 = Major  
 5=Disaster