

REQUEST FOR DIRECTOR DECISION – DD1017

Title: Dine in Southall Feasibility Study

Executive Summary:

The purpose of this paper is to seek approval to procure and award a contract of up to £95,000 for a detailed feasibility study to:

- Investigate suitable sites for the Dine in Southall (DiSh) project within Southall
- Develop a business model for DiSh, as a destination training restaurant:
- Assess the viability of Southall Manor House for the project, and demand for/viability of alternative uses for the building such as the provision of training, apprenticeships and opportunities for SMEs.

The study will be prepared in two stages:

- Stage 1 – will assess the viability and develop the business model of a restaurant with trainee-chef finishing school in Southall. This will include assessing the suitability of Southall Manor House for the project, and investigating alternative more viable and ready sites in Southall. The Stage 1 report will also recommend an alternative mix and arrangement of uses for the Manor House which could be taken forward as part of an overarching viable business model. These recommendations will inform the decision making process for further investment.
- Stage 2 – based on the recommendations of the Stage 1 report and following a further steer from GLA, the consultants will prepare detailed business plans for each of the two project strands: the destination training restaurant in the most viable location, and –building on the Britton McGrath Report- the Manor House building. The Stage 2 report will include recommendations and outline costings for any physical works that may be required to facilitate the operation of both strands as well as any potential ongoing costs. Implementation will then be subject to formal GLA approval.

Stage 2 is subject to Stage 1 identifying a viable way forward for the Dine in Southall project, and an appropriate break clause will be included in the contract.

Decision:

That the Director approves the expenditure of up to £95,000 on the commissioning of services required to undertake a detailed feasibility study and develop a business model for the DiSh project.

AUTHORISING DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

Name Fiona Fletcher-Smith

Position Director of Development, Enterprise and Environment

Signature

Date

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

Introduction

1.1 Following the public order disturbances in August 2011, the Mayor announced a fund of £70m to invest in the long term regeneration of some of the worst affected boroughs (MD895 and MD1092).

1.2 MDs 895 and 1092 approve the overall MRF programme budget of £70m and give delegated authority on the detailed allocation of the programme budget, individual project budgets and any further resources required to the Director for Development, Enterprise and Environment.

1.3 The London Borough of Ealing was identified as a potential recipient of Mayor's Regeneration Fund (MRF) funding on the basis of the level of impact on businesses in the local area. The worst affected London boroughs were invited to submit proposals for MRF funding which were prioritised on the basis of deliverability, value for money and contribution to economic growth.

1.4 Ealing Council was allocated up to £4.35m of MRF funding, of which £850,000 has been earmarked for the Dine in Southall (DiSh) project, with the remaining amount of £3.5m allocated to the Shaping Southall physical improvement programme.

RIG stage 2 proposal

1.4 On 6 June 2012, a stage 2 paper was presented to RIG for the Dine in Southall (DiSh) project. The stage 2 paper considered proposals for an investment of;

- £755,000 of capital funding
- £95,000 revenue funding.

1.5 The stage 2 objectives of the Dine in Southall (DiSh) project were to;

- Respond to the identified skills shortage in the Asian restaurant sector
- Develop a social enterprise to run a destination training restaurant
- Bring an underused historic building back into viable use, to act as a catalyst for the regeneration of Southall

Progress since stage 2

1.9 In 2011, the vacant Manor House building was made wind and water tight. Since RIG stage 2, Ealing Council has spent an additional £260,000 on providing heating, plumbing, flooring and electricity to make the building habitable. These works were completed in April 2013 and total £820,000.

1.10 The DiSh apprenticeship project has now commenced. Three apprentices have been confirmed and they will attend Hammersmith and West London College for training classes and on the job training in Southall's Brilliant Restaurant. An additional three apprentices are soon to be confirmed for Southall's Madhus restaurant. These apprenticeships are being funded via central government funding, and staff resource time from Ealing Council. These placements are being offered without confirmation of a 'finishing-school' restaurant operating from the Manor House building or any other location.

1.11 The GLA and Ealing Council have now prepared a joint brief to procure consultants to prepare the detailed feasibility study as requested by RIG. The study will be prepared in two stages;

- Stage 1 – will assess the viability and develop the business model of a restaurant with trainee-chef finishing school in Southall. This will include assessing the suitability of Southall Manor House for the project, and investigate alternative more viable and ready sites in Southall.. The Stage 1 report will also recommend an alternative mix and arrangement of uses for the Manor House which could be taken forward as part of an overarching viable business model. These recommendations will inform the decision making process for further investment.
- Stage 2 – based on the recommendation of the Stage 1 report and following a further steer from GLA, the consultants will prepare detailed business plans for each of the two project strands: the destination training restaurant in the most viable location, and –building on the Britton Mc Grath Report- the Manor House building. The Stage 2 report will include recommendations and outline costings for any physical works that may be required to facilitate the operation of both strands as well as any potential ongoing costs. Implementation will then be subject to formal GLA approval.

1.12 A key part of the study is to understand if the restaurant with finishing-school is viable in the Manor House, and to investigate other more viable and ready sites in the Southall area whereby this type of restaurant and training facility could operate successfully.

1.13 The GLA is leading on the procurement of consultants and will be the project client.

1.14 The results of the study will be reviewed by the GLA and Ealing Council. This information will be used to inform the GLA on whether or not to invest the remaining £755,000 of capital funding into the Dine in Southall project. This will be subject to formal GLA approval, including endorsement from the Investment and Performance Board (IPB).

Finance and timescale

1.15 It is expected that the cost of the feasibility study would not exceed £95,000 of revenue funding. However, the exact cost will be determined through a detailed procurement and tender exercise.

1.16 The expenditure is planned to be spent in 2013/14.

No.	Action	Timescale	MRF cost
1	DD sign off to release funding	September 2013	–
2	Procurement of consultant	September 2013	–
3	Award consultant contract	October 2013	–
4	Stage 1 report sign off (including presentation to GLA and Ealing Council)	December 2013	Up to £40,000
5	GLA and Ealing to consider Stage 1, and provide steer for the second stage of the study. Stage 2 is subject to Stage 1 identifying a viable way forward for the Dine in Southall project, and an appropriate break clause will be included in the contract.	December 2013	
5	Stage 2 report sign off and completion of study (including presentation to GLA and Ealing Council)	February 2014	Up to £55,000

2. Issues for consideration

Links to strategies and Mayoral and corporate priorities

2.1 The proposed project is not mentioned in the strategic plan directly, as it is a response to the unforeseen exceptional incidents of August 2011. However, the programme overall, and the individual projects for Southall closely link to two of the Mayor's priority themes: improving Londoners' quality of life and investing in young Londoners.

Impact assessments

2.2 With regards to the existing Manor House building, it is a Grade II* listed building. There is a strong likelihood that any works proposed to the building as part of this study will require listed building consent. To date, a series of studies into the physical quality of the existing building have been carried out. It is important that the findings in these studies are used to help develop how best to use the site to meet the project aims and objectives. A number of recent studies on SMH have been completed and restoration work on the building is ongoing:

- A Conservation Management Plan and a Quinquennial Survey of the Manor House was undertaken in October 2009 - which ranked the historical significance of sections of the building. (Alan Baxter Associates).
- A Heritage Collective report produced in April 2012, provides important additional detail about the historical significance (or otherwise) of elements of the Manor House.
- An Options Appraisal report for the future use of Manor House was completed in March 2012; this sets out possible combination of uses, phased development of the site and income generation scenarios. (Britton McGrath).

Consultation

2.3 The Dine in Southall project is part of the Mayor's and Ealing Council's regeneration plans for Southall. These regeneration objectives are clearly set out the in;

- The Council's Southall Big Plan regeneration programme, which is one of the borough's top priorities. The Big Plan is set out in the Southall Charter, which is a local community strategy and action plan. The Southall charter has been prepared by Ealing Council and the local Southall community, which is comprised of local businesses, residents, community groups, education facilities.
- The draft Opportunity Area Planning Framework (the long term spatial framework). It sets out a range of complementary investments and actions, which focus on bringing the community together, investing in the town centre experience, improving public sector service provision, and delivering a number of key transformational projects.

2.4 As part of the specific consultation for this project that Council has been liaising with certain key partners in the local area to help inform the project scope, engagement with these partners will continue during the preparation of this study. The partners include;

- Ealing, Hammersmith and West London College
- University of West London
- The owner of 'The Brilliant Restaurant' in Southall (who is offering placements to the apprentices)
- JobCentre Plus

Risks

Risk	Likelihood	Impact	Rating	Mitigation
An appropriate consultant team cannot be procured to prepare this study	1	3	3	Six appropriate consultants will be specifically notified of the project tender exercise via the GLA's e-tendering website
Unclear and mixed advice is provided from too many clients and partners to the appointed consultant team	1	3	3	The GLA will act as the sole client for the study and a set of specific meetings with key partners has been included in the project brief
The study shows that a restaurant with trainee chef finishing school is not viable or does not identify any suitable location in Southall	4	1	4	This study will critically evaluate and recommend viable uses. If the DiSh restaurant and finishing school are not viable then they will not be progressed
The study demonstrates that the Southall Manor Building cannot support a mix of uses that includes; suitable training, support and apprenticeship opportunities as part of the project	2	4	8	The purpose of this study is to appoint an independent consultant to critically review the viability of the Southall Manor house. If a suitable viable model is not found then it will not be progressed.
The costs included in the submitted tenders exceed the £95,000 allocated for the preparation of the study	2	3	6	The costs are based on experience of other similar projects carried out by Ealing Council. Any cost overrun will be borne by Ealing Council.
The timescales included in the submitted tenders exceed the timescales set out in the project brief	2	2	4	The programme is based on experience of other similar projects carried out by Ealing Council.
Some of the end uses for the Manor House building may be commercial and so if not satisfactorily addressed now could raise concerns of State Aid	2	3	6	This State Aid risk is set out in procurement brief. As part of the study, consultants will be requested to provide advice on how to mitigate this risk.

Note: Likelihood and Impact rated 1-5. Rating is a product of likelihood and impact and measured 1-25

3. Financial Comments

- 3.1 Approval is being sought to undertake a procurement exercise for a detailed feasibility study to assess the viability of the Dine in Southall (DiSh) project and develop a detailed business model. We have been advised that these services are not covered by any existing contract within the GLA Group.
- 3.2 The estimated cost of this contract is up to £95,000. It is expected the commission will be wholly undertaken in 2013/14. Stage 2 is subject to Stage 1 identifying a viable way forward for DiSh project, and an appropriate break clause will be included in the contract.
- 3.3 The revenue cost of £95,000 will be funded from the Mayor's Regeneration Fund.
- 3.4 All appropriate budget adjustments will be made.
- 3.5 As this decision relates to a contract, officers have to ensure that the requirements of the Authority's Contracts and Funding Code are adhered to.
- 3.6 As this contract is consultancy based, officers also have to ensure that the requirements relating to consultancy services within the Authority's Financial Regulations and Expenses & Benefits Framework are adhered to.
- 3.7 Any changes to this proposal must be subject to further approval via the Authority's decision-making process.
- 3.8 The Regeneration Team within the Development, Enterprise and Environment Directorate will be responsible for managing this project.

4. Legal Comments

4.1 Legal Powers

Sections 1 to 3 of this report indicate that:

- 4.1.1 the decisions requested of the director fall within the statutory powers of the Authority, to do anything which may be considered to be facilitative of and conducive to the promotion of economic development, wealth creation and the improvement of the environment in Greater London; and
- 4.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
 - (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) consider how the proposals will promote the improvement of health of persons in greater London and to contribute towards the achievement of sustainable development in the United Kingdom; and

(c) consultation with appropriate bodies.

- 4.2 The services required must be procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the Authority's Contracts and Funding Code and officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder(s) and the Authority before the commencement of the services.

5. Investment & Performance Board

5.1 On 6 June 2012, a stage 2 paper for the Dine in Southall (DiSh) project was presented to Regeneration and Investment Board (for an investment of £850,000). The proposal was to develop a destination training restaurant. Whilst the key objectives of the project were endorsed, Members requested that further work be undertaken to assess the viability of the proposed site for this project.

5.2 The approval given was subject to further work being undertaken to investigate other more ready sites for "Dine in Southall".

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Information on this decision will be included in the Mayor's report and decision list. The form will be available publically from then. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this approval to be deferred? YES

If yes, for what reason:

It contains information the disclosure of which would be likely to prejudice the Authority's commercial interests by distorting competitiveness in the relevant market. Such distortion impacts upon the Authority's ability to secure competitive and sustainable bids for the provision of such supplies and services and value for money which is not in the public interest. Publication will be once the contract has been awarded and signed, and if GLA confirms the requirement for a Stage 2 report.

Until what date: 15 December 2013

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Tick indicates
approval (✓)

Drafting officer:

Tim Rettler has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision:

✓

Assistant Director/Head of Service:

Debbie Jackson has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Executive Director, Resources

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

Signature

Date