

## Report to Cabinet 9<sup>th</sup> October 2013

### Tilgate Walled Garden Café – Inviting Expressions of Interest

Chris Harris – Head of Amenity Services  
AM/055

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#### 1. Purpose

To seek approval from the Cabinet in inviting expressions of interest for the leasing of the Tilgate Walled Garden Café and to proceed with the lease arrangements as appropriate. With the aim to safeguard the future viability of the Walled Garden Café whilst generating a positive income stream for the Council.

#### 2. Recommendations

##### 2.1 The Cabinet is recommended to:

- 1) **Approve the invitation of the expression of interest for the Tilgate Walled Garden Café**
- 2) **Delegate authority to the Head of Amenity Services, in consultation with the Portfolio Holder for Leisure and Cultural Services, to conclude a lease agreement with the successful bidder.**

#### 3. Reasons for the Recommendations

- 3.1 Further improve the service offered to customers and safeguard the viability of the service.
- 3.2 Increase income as a contribution towards the cost of maintaining Tilgate Park.

#### 4. Background

- 4.1 The Cabinet, at their meeting on 14 September 2011, considered a report on Tilgate Park Leisure Opportunities. The decision of the Cabinet in relation to Tilgate Walled Garden Café was as follows:

*‘That, should appropriate ideas and bids be received for the management of the ..... Café, a report be considered by the Cabinet at the appropriate time.’*

- 4.2 At that time, organisations expressing an interest in the management of the café were concerned about the impact Smith & Western pub/ restaurant (about to take over management of the Bluebird Pub in Tilgate Park) would have on turnover. Therefore, the Head of Amenity Services, in consultation with the Portfolio Holder for Leisure & Culture, delayed a decision on management of the café until the impact of Smith & Western was known.

## **5. Description of Issue**

- 5.1 Considerable improvements have been made to the café, such as making the outdoor eating areas more attractive, redecorating the internal front of house areas, reconfiguring the internal space in the adjacent building (formerly leased by St Catherine's Hospice) and improving the menu offered to customers. The service now regularly receives compliments from visitors about value for money and cleanliness, and the café has been recently awarded a 5 star food hygiene rating.
- 5.2 However, staffing costs also have significantly increased, particularly in respect of casual and temporary staff. In addition, running the café takes up a considerable amount of senior management and support services time, which would be better spent continuously improving other areas of the service.
- 5.3 Against this background, and the growing popularity and success of the services provided within the park, it is proposed that the Council should now seek expressions of interest for a lease of the Walled Garden Café.

## **6. Supporting Information & Analysis**

- 6.1 In response to feedback, the customer experience at the café has greatly improved over the past eighteen months. However, with a catering professional taking on responsibility for this facility, they will be able to build-upon these changes to make further improvements e.g. to the menu and building itself.
- 6.2 In the eighteen months since Smith & Western came to Tilgate Park, turnover at the café has actually increased by 60% from £79,000 to £126,000 (April to July 2012 & 2013 comparisons).
- 6.3 Market research suggests that external catering organisations with relevant experience and competence would pay the Council a minimum commercial rent of around £30,000 per annum for a lease of the cafe, whereas last year the café made a loss of £12,000 and this year it is anticipated to break-even. Turnover is very much dependant on weather conditions and a lease or license would give the Council a guaranteed rental annual income.
- 6.4 Ward Members for Tilgate and Furnace Green will be kept informed of the process leading up to the award of any new lease/licence.

## **7. Proposed Options and Implications**

- 7.1 The option to retain the café in-house is not recommended as the service is currently running at a loss.
- 7.2 The proposal to lease or license the café could bring service improvements and additional income of around £30K per annum.
- 7.3 There are currently two part-time permanent staff employed at the café who would be transferred under the Transfer of Undertakings (Protection of Employment) regulations 2006 - (TUPE). The permanent staff members have been informed of this proposal.
- 7.4 Any new lease would comply with the Council's policy on the Living Wage, which is due to be considered by Members later this year.

7.5 The Council would advertise for expressions of interest and seek to lease the café for up to seven years, with options for extension after that.

**8. Background Papers**

8.1 Cabinet Report 'Tilgate Park Leisure Opportunities' 14 September 2011 AM/36.

ENDS