

Committee: Hampstead Heath, Highgate Wood and Queen's Park Committee	Date: 28 November 2018
Subject: Tender of the Highgate Wood Pavilion Café	Public
Report of: Bob Warnock – Superintendent of Hampstead Heath	For Decision
Report author: Richard Gentry – Hampstead Heath, Open Spaces Department	

Summary

This report sets out the proposed tender process for the Highgate Wood Pavilion Café.

The Highgate Wood Pavilion Café is currently operated by Hoxton Beach on a Tenancy at Will basis.

Recommendations

It is recommended that:

- Members approve the proposal to retender the Highgate Wood Pavilion Café as set out in paragraphs 6-14.

Main Report

Background

1. In 2016 The City of London appointed a consultant to carry out an engagement and consultation exercise in relation to the Hampstead Heath Cafés and Highgate Wood Pavilion Café. The engagement process commenced in June 2016 and the findings were discussed with the Highgate Wood Consultative Group (HWCG) on 9 November 2016.
2. A number of key themes emerged from the engagement and consultation exercise that will be used to inform future decision-making in respect of café leases:
 - An aspiration for the preservation of the best qualities of the existing offer
 - An emphasis on the importance of good food
 - An emphasis on the need for reasonable prices
 - The identification of cafes as important social hubs
3. In January 2018, the Highgate Wood Pavilion Café tenant notified the City of London of their decision to terminate their Tenancy at Will. In order to maintain a catering provision at Highgate Wood expressions of interest were sought from the lease holders at Parliament Hill Café, Parliament Hill Fields Lido Café and

the Refreshment House at Golders Hill Park to operate the Pavilion Café on a Tenancy at Will basis whilst a tender process was prepared.

4. Hoxton Beach, the lease holder for the Parliament Hill Fields Lido Café have been operating the Highgate Wood Pavilion Café, on a Tenancy at Will basis since March 2018.
5. Until recently it was only possible to let the Highgate Wood Pavilion Café for a maximum term of three years in accordance with section 76 of the Public Health Acts Amendment Act 1907. However, under section 6 of the City of London Corporation (Open Spaces) Act 2018, it is now possible to offer a lease of up to 15 years, or 21 years in exceptional circumstances.

Proposal

6. It is proposed to use the powers contained within the City of London Corporation (Open Spaces) Act 2018 to offer a longer lease in order to secure financial investment in the café facility.
7. It is also proposed that the length of lease offered by the City of London should be for a period of seven years with suitable break clauses and the option to extend for an additional three years, dependent upon performance and service delivery.
8. The tender process will require bidders to complete their submissions based on the Café Response Document (Appendix 1). Compliant responses are scored from nil response to very good. A tender evaluation matrix (Appendix 2) has been developed based on criteria deemed important for service delivery. A weighted score is calculated in the final column. Each 5% is equal to 1 weighted point. The bids will be scored against a matrix of 0 = unacceptable to 5 = excellent. This is based on a 60/40 quality/price evaluation ratio. Members views are sought on this approach.
9. In keeping with the City of London's commitment to sustainability, the Café Response Document requires that bidders provide information relating to the proposed environmental management of the operation.
10. Following the award of the lease, it is good practice to monitor and measure the leaseholders performance. Performance Indicators should be designed to monitor progress towards accomplishing the strategic objectives, gaining relevant insights to help manage and improve performance. Taking account of feedback from the Café Working Party, the Superintendent has revised the Café Service Standards & Performance Indicators document, (Appendix 3).
11. On completion of the tendering exercise the City of London will consult with Members of the HWCG at their spring meeting to give the opportunity to consider and feedback on the catering concept and menu offer, including menu pricing of the highest scoring bids. This information will be anonymised.

12. The proposed timeline for the delivery of the Highgate Wood Pavilion Café Tender Project is:
- 17 October 2018 – Members of the HWCG feedback on the proposals.
 - 28 November 2018 – Taking account of feedback from the HWCG the Hampstead Heath, Highgate Wood and Queen's Park Committee (HHHWQPC) consider and agree the recommendations to commence the tender process.
 - December 2018 to January 2019 – City of London Procurement Team commence the tender process.
 - December 2018 / January 2019 – Site visit (dates TBC.)
 - February 2019 – Tender Evaluation.
 - 3 April 2019 – Report outcome of Tender Evaluation to HWCG.
 - April 2019 – Conduct interviews with highest four bidders.
 - May 2019 – Report Tender Evaluation Outcome to HHHWQPC for decision.
 - May/June 2019 – Lease agreed and mobilisation.
13. The tender process will be managed through Capital eSourcing, this is a tendering portal exclusively used by the City of London to manage all tendering activity. Bidders are given the opportunity to register on this portal to allow access to tender opportunities. The tender of the café would be available to small and medium-sized enterprises and to larger chains. The evaluation process will consider three outcomes, social, environmental and economic, bidders will be required to identify how they will deliver these outcomes in their submission.
14. The procurement process will include a site visit to the Highgate Wood Pavilion Café for prospective bidders.

Corporate & Strategic Implications

15. Highgate Wood & Queen's Park, Kilburn is a registered charity for which the City of London is the trustee. The purpose of the charity is the preservation of Highgate Wood & Queen's Park for the exercise and recreation of the public. The HHHWQPC manages Highgate Wood on behalf of the City of London and must take decisions in the best interests of the charity.
16. The provision of café facilities provides income which contributes to the maintenance of the Open Space, and the café must be let on the best terms that can reasonably be obtained for the charity in order to comply with the duties of the trustee. However, the café is also fundamentally part of the experience provided to users and the HHHWQPC may consider the wider social and environmental benefits that it brings to the Open Space.
17. In letting the Highgate Wood Pavilion Café under section 6 of the City of London Corporation (Open Spaces) Act 2018 the HHHWQPC must have regard to the desirability of ensuring that the service or facility is provided to a satisfactory standard throughout the duration of the lease. Before granting a lease the HHHWQPC must consult such persons or bodies as it thinks appropriate. Part II

of the Landlord and Tenant Act 1954 (which provides security of tenure for commercial tenancies) does not apply.

18. This Policy contributes towards the achievement of the three aims set out in the City of London Corporate Plan 2018-23. Contribute to a flourishing society (1-4), Support a thriving economy (5) and Shape outstanding environments (9-12).
19. The Policy also meets the three objectives and outcomes set out in the Open Spaces Business Plan 2018-19 (a) Open Spaces and historic sites are thriving and accessible, (b) Spaces enrich people's lives and (c) Business practices are responsible and sustainable.
20. A communications plan will be in prepared to keep visitors informed throughout the tendering process.
21. The income generated from letting the café will be reinvested into the management of Highgate Wood.

Conclusion

22. The engagement and consultation exercise that was undertaken has provided valuable information about the public's views on the Highgate Wood Pavilion Café. The café facility is valued as a community hub and food cost, quality, and atmosphere are seen as the most important factors. The Superintendent recommends that a new tender process is commenced as set out in paragraphs 6 -14.
23. The Procurement for a tenant will be an open and transparent process, with clear outcomes which meet the key drivers as set out in the engagement process in relation to social, environmental and economic outcomes. The tender process will focus on these outcomes, and all operators will have the opportunity to demonstrate how they will work towards realising these outcomes and to clearly identify their plans for the space. The Operators would be asked to explain what investment is proposed in the submission and this would be linked to the lease. Following mobilisation, performance and service standards will be monitored on a quarterly basis.

Background paper

- Café Engagement Report 2016

Appendices

- Appendix 1 – Café Response Document
- Appendix 2 – Proposed Evaluation Criteria Matrix
- Appendix 3 – Revised Café Service Standards & Performance Indicators

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