



**REPORT TO LEADER
TO BE HELD ON**

23 February 2017

	Key Decision	Yes
	Forward Plan Ref No 1	
Corporate Priority:	Cabinet Portfolio Holder	Leader
People Place Prosperity Council	Date of Decision	23 February 2017
	Deadline for Call in 5pm on	28 February 2017
	Implementation	1 March 2017

REPORT OF: DIRECTOR (NE) – 17/54

WARDS AFFECTED: NORTH BAY

SUBJECT: SANDS DEVELOPMENT

RECOMMENDATION (S):

The Leader is recommended to:

1. Delegate authority to the Director (NE) to enter into a Supplemental Agreement with Benchmark Leisure Limited and Benchmark Properties Limited to facilitate the construction of a hotel on land adjoining Burniston Road Car Park on terms principally contained in the Sands Development Agreement and subsequent Supplemental Agreements.
2. Note that on practical completion of the hotel the Council will grant a 150 year lease of the hotel phase to Benchmark Leisure Limited who will in turn grant a lease to the hotel operator.

REASON FOR RECOMMENDATION (S):

To enable Benchmark to enter into contracts by the beginning of March 2017 to secure the operator for the hotel and to subsequently commence development following planning and licensing approval.

HIGHLIGHTED RISKS:

The principle risks are:

- Failure to enter into contracts by the beginning of March 2017 could put this hotel phase in jeopardy.
- Development of this phase contributes to the viability of the Sands scheme as a whole.
- Another phase of development for North Bay which is becoming a vibrant part of the Borough.

1. INTRODUCTION AND BACKGROUND

- 1.1 In December 2002 the Council entered into a Development Agreement with Benchmark Leisure Limited (Benchmark) for the development of circa 55 acres of land in Scarborough's North Bay as a major tourist destination providing a range of tourist attractions and accommodation. The progress of the Sands Development has been reported to Members in previous reports.
- 1.2 The Development Agreement between the Council as landowner and Benchmark as developer provides for the development of the Sands on a phase by phase basis. The Water Park phase has been completed and has been operational since the end of July 2016. A public house and restaurant has also been constructed by Marston's Inn and Taverns on land adjoining Burniston Road Car Park.
- 1.3 Benchmark have now approached the Council and requested a further draw down of land pursuant to the Development Agreement to facilitate the construction of a hotel on land also adjoining Burniston Road Car Park. The hotel will be operated by a leading national hotel chain. Benchmark have advised that in order to secure this hotel operator contracts must be entered into by the beginning of March 2017.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 This proposal contributes towards all four of the Council's corporate aims.

3. CONSULTATION

- 3.1 The planning and licensing applications associated with this phase will be subject to statutory public consultation.
- 3.2 Ward councillors have been notified of the contents of this report.

4. ASSESSMENT

- 4.1 The site proposed for the hotel development adjoins Burniston Road Car Park and is shown edged red on the plan attached at Appendix A.
- 4.2 Benchmark have indicated that it is imperative that contracts are entered into to secure the hotel operator by the beginning of March 2017 otherwise there is a real risk that Benchmark and the Council will lose out on this opportunity.
- 4.3 The Development Agreement and subsequent Supplemental Agreements set out the framework for the draw down by Benchmark of the various phases of the Sands development scheme. It is proposed that this draw down shall be in accordance with those previously agreed terms and there shall no variations to the framework.
- 4.4 In order to meet the deadline of having formal contracts completed by the beginning of March 2017 it is recommended that the Director (NE) is granted authority to conclude the Supplemental Agreement for this phase on the terms principally contained in the Development Agreement and subsequent Supplemental Agreements.

5. IMPLICATIONS

5.1 Policy

- 5.1.1 There are no policy implications arising from this report.

5.2 Legal

- 5.2.1 The legal agreements between the Council, Benchmark and the hotel operator will be concluded in accordance with the terms of the existing Development Agreement and subsequent Supplemental Agreements.
- 5.2.2 The Development Agreement and subsequent Supplemental Agreement set out the framework for the grant of a licence to construct the relevant phase, treatment of land receipts, rents and profits as well as the grant of the lease to Benchmark.

5.3 Financial

- 5.3.1 The Development Agreement and Supplemental Agreement contain various provisions regarding payment of land value and treatment of rents and profits in relation to each phase. The Supplemental Agreement facilitating this phase of development will be entered into in accordance with those provisions.

5.4 Equalities and Diversity

- 5.4.1 There are no equalities and diversity implications as a result of this report.

5.5 Staffing

5.5.1 There are no direct staffing implications arising from this report.

5.6 Planning

5.6.1 There are no direct planning implications arising from this report.

5.7 Crime and Disorder

5.7.1 There are no direct planning implications arising from this report.

5.7.2 Crime and disorder will be considered through the planning and licensing process.

5.8 Health and Safety

5.8.1 There are no direct health and safety implications as a result of this report.

5.8.2 All of the health and safety implications of construction of this phase will be managed by Benchmark through its appointed consultants and contractor.

5.9 Environmental

5.9.1 There are no direct environmental implications as a result of this report.

5.9.2 Environmental implications will be taken into account through the planning process.

Nicholas Edwards

Nick Edwards
Director

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT NICK EDWARDS ON 01723 232410 e-mail: nick.edwards@scarborough.gov.uk.