

2 Sylvan Wood
Rothesay Drive
Highcliffe
BH23 4FJ

Home: 01425 271404
Mobile: 07756 329222
E-mail: nigeldbrooks@hotmail.com

8th February 2017

David McIntosh
Chief Executive
Christchurch Borough Council
Civic Offices
Bridge Street
Christchurch
BH23 1AZ

Dear Mr McIntosh,

HIGHCLIFFE CASTLE - TEA ROOMS TENDER

Yesterday evening, some 80 plus residents, including Madam Mayor, Cllr Patricia Jamieson, Cllr Lesley Dedman and Cllr John Lofts, together with the Current Catering Concession holder Sean Kearney and many of his long-standing staff, met at a public meeting in Highcliffe to discuss the decision of Christchurch Council (CBC) to award a Catering Concession to Aramark UK.

Having regard to the follow points and issues raised at the meeting, the decision, as reported in the Bournemouth Echo and The Times newspaper on 2nd February, is wrong and should not proceed –

Tender Process

The decision to Tender the Tea Rooms Concession went before the Policy and Resources Committee on the 24 August. It was dealt with as 'an exempt/restricted' Item and no information was made public. But, then one reads in the Invitation to Tender documents (under 'Confidentiality' paras 15-19 on page 7), that The Freedom of Information Act applies, and information provided in connection with a procurement exercise, or with any tender or contract, may be disclosed by the Partnership (that is, the Council) in response to such a request, subject to certain financial information. CBC have been wrong to conceal information throughout, which has led to this late intervention.

The Tender process was dealt with under the Concession Contract Regulations 2016. The UK Government recognised that certain contracts were an 'over kill' to require Tenders to be put out across Europe. In this respect, they introduced the 'Light Touch Regime', which is an appropriate way to tender a café for the use of the general

public, not a Health Authority, Schools, Prisons (which are the sectors Aramark operate in). CBC did not adopt this approach. The Light Touch Regime would have enabled CBC to compile a list/selection process of suitable Tenderers and discuss with them, in an open and transparent way, the service requirements and future aims for the Catering offer. The Light Touch Regime would have enabled them to reduce the process burdens on the Tenderers. It is at this point that apparently, Aramark scored 99.58 compared to the current catering Concessions of 59.06: a separation of over 40 points is highly unusual against an incumbent caterer award winning Tea Rooms Concession. The process CBC adopted was wrong, 'over the top' and created a 'no win' approach for the existing Concession.

In relation to the previous point, CBC stated that the concession term would be 15.5 years from 1 April 2017, that is to 30 September 2032. This is an extraordinarily long period to set for bidders to project turnover, revenue and investment in a catering operation. The aggregation of a Concession's turnover over such a long period would push the threshold for deciding which Tender process to use totally unreasonably high for a Tea Rooms operation. Further, for such a long period in an uncertain economy, combined with restrictions built into the Catering Concession documentation, turnover is surely unpredictable, the Concession period is totally unreasonable.

The reservation by CBC to allow other Catering arrangements to trade in the Castle grounds again makes a nonsense of forecasts with a degree of certainty.

The draft Contract Agreement, giving exclusivity of the Tea Rooms to the 'Catering Company', certainty of term and payments to CBC with turnover top-ups, is more akin to a business lease, which would arguably give the Catering Company rights of renewal at the end of the term in 2032, in accordance with Landlord and Tenant legislation. There is no mention of any exclusion from such legislation. This appears incorrect. Further, the Contract has no express break provisions in the term, operable by CBC, other than on performance and company issues. The need to prove 'non-performance' would probably be an expensive and protracted affair.

The Tender Specification (Appendix C) under par 2.5.14 states 'the Contractor will be encouraged to provide a limited catering operation on the beach' in the location as shown on plan in Appendix 1B. Having regard to the beach/seashore location, some form of motor/mechanical transport would no doubt be required for access/egress. Such an arrangement is contrary to Christchurch Council's own byelaw no:16, 'Seashore & Promenades'. Christchurch Council cannot set down byelaws and then encourage a Catering concession to break them. The Tender, in this respect, is invalidated.

Christchurch Council's Policies and Aims

Christchurch and East Dorset Partnership Corporate Plan 2012-2016 Policy EC1 is to 'Create conditions for existing and new businesses to thrive'. I do not believe this policy was to deliver profits to a US based \$ billion conglomerate company.

At the recent '**Green Positive Environment Action**' presentation by CBC, designed to support growth in the local economy, attended by local businesses, Cllr Claire Bath

said, 'These events have been vital in developing our growth plan, and we are grateful for the enthusiasm of local businesses in getting involved and sharing their ideas with us'. This is not consistent with delivering profits to a US based \$ billion conglomerate company.

The Incumbent Catering Concession Holder

The award-winning Incumbent Caterer has supported many local suppliers over many years, and many of those suppliers were present at the meeting and spoke highly of their experience and business dealings. In their dealings with Aramark elsewhere one supplier was told 90 day's payment terms would apply, an unacceptable approach for a small business and business dealings were appalling. Notably the Organiser of the 'Highcliffe Revival Food Festival', which has had a positive/uplifting impact on Highcliffe as a whole, spoke highly of the Incumbents support. Local suppliers will probably not feature in Aramark's future plans.

The Tea Rooms building and internal facilities built in the 1950's as a dormitory for the Catholic Order who occupied the Castle at that time is past its 'sell by date'. It is incongruous and detracts from the Grade I listed Castle. The Incumbent engaged an Architect at his cost, to design, a building to replace what is there today and presented it to CBC in 2008. It fell on 'deaf ears'. The plans are certainly workable and to a good acceptable design consistent to adjoining the Grade I listed Highcliffe Castle.

The Incumbent has raised the profile of Highcliffe Castle (certainly marketing vision!) with the introduction of 'The Mr Selfridge Experience', which has brought additional entrance income to the Castle/CBC. With the decision to part with the Incumbent the loss of this 'attraction' has resulted in tour operators and cruise companies withdrawing party visits, to the detriment of the Castle and its revenue stream.

Small changes requested to the Tea Rooms, for example, improving the access ramp, with DDA (Disability Discrimination Act in mind) have been rejected by CBC because of the perceived issues of planning and the listing of the Castle. The Tea Rooms are a 1950's building, without merit.

Aramark UK/Aramark Corporation

The US Aramark Corporation is a 'full line' Facilities Management \$ multi-billion conglomerate. Core business is in the following sectors, Health, Schools/Universities, Prisons, Stadiums and major corporate organisations. It is felt Catering alone will not be their ambition. Aggressively they will look to take on other services, gardening, security, cleaning, customer/visitor management, retail services, energy management etc. Where do the profits go? Not into the local economy!

It was felt that Aramark will use Highcliffe Castle as a means to exploit an historic/heritage building for their own brand and business development purposes.

Aramark Corporation was issued with two fines totalling \$272,000 in the US in 2014 for contract violations. **Source: Wikipedia.**

In the UK Aramark, have been subject to staff strikes in the Health sector at 4 hospitals in the London area (March 2016) on account of poor employment terms involving the GMB Union. **Source: www.employeebenefits.co.uk**

Numerous former Aramark employees in the UK report poor working conditions and a wide range of dissatisfactions. **Source: www.glassdoor.co.uk**

Aramark business practices – in June 2011 they issued a demand to a number of their suppliers demanding a cut in their prices by 12%. Described by one catering consultant as 'a ransom note', Chris Stern of Stern Consultants said 'to simply issue a generic, aggressive letter to suppliers is not the hallmark of the sophisticated organisation we thought Aramark was'. This example gives an example of Aramark's 'face'. **Source: The Caterer.**

Conclusion

Is this the right Concession solution for Highcliffe Castle Tea Rooms, a \$ billion US conglomerate? Having regard to the foregoing and the approach by CBC to placing the Catering Concession with Aramark, it is not.

Yours faithfully

Nigel Brooks MBA MRICS
Chartered Surveyor

On behalf of Friends of Highcliffe Castle Tea Rooms

Copies:

All Christchurch Borough Councillors – by e-mail

Judith Plumley Head of Community and Leisure Services – by e-mail

Christopher Chope MP – by e-mail

The Bournemouth Echo - by e-mail

Incumbent Concession Caterer – by e-mail

Meeting attendees – by e-mail and post