

Route Map for Development of Pebbles Cinema

This “Route Map” for the development of the Pebbles Cinema describes each of the activities needed for the development of the cinema, their sequence and interdependences. The Route Map is a living document that is updated to reflect changes: this is the fourth version. The Route Map comprises:

- This document, which provides a text description of each activity,
- A summary programme showing the main milestones, and
- A more detailed programme in the form of a Gantt chart, showing the sequence of tasks and milestones, time scales, linkages and critical path.

The activities have been sub-divided into three stages or phases, as discussed below:

Stage 1 – Investigation

Working Groups

Three working groups have been established drawing upon the expertise of Cinema Focus Group:

- Route map working group
- Operators working group
- Investment and Legal working group

The working groups engage in informal discussions with relevant outside organisations and formulate proposals for the planning, operational, administrative and financial aspects of the project. They report back to the Focus Group.

Focus Group Recommendations

Following discussion of the investigations by the working groups, the Cinema Focus Group prepares recommendations to TTC (and its Committees) for decision.

Feasibility Study

Having agreed The Pebbles as the preferred site for the cinema, professional consultants will carry out detailed feasibility studies. The first step was a pre-planning application to ABC which was submitted in early 2019. Discussions with Historic England in connection with pre-planning included an alternative layout identified by BFF which would preserve the interior of the Pebbles for front-of-house and snack bar/restaurant facilities with a new-build housing the two-screen cinema in the northern section of the garden. A courtyard and glazed passageway would link the two parts of the cinema complex. Advice following the pre-planning application was received in July 2019 expressing a preference for the alternative layout.

Approval by TTC for funding of the feasibility study was granted in September 2019 and an invitation for interested consultants to submit proposals was published by TTC shortly thereafter. The successful bidder, Burrell, Foley, Fisher was formally appointed shortly after the TTC meeting on 9th December 2019. The feasibility study will commence in January 2020 with completion by end-March 2020.

Company Incorporation and Prospectus

A company will be established for the development and administration of the cinema, in line with a prospectus (expected March/April 2020) setting out the financial and legal structure. The company structure will be designed to encourage investment by interested parties, protect TTC’s assets (the Pebbles building), minimise VAT and provide a sound legal and financial environment for a cinema operator. The company would enter into a long-term agreement with TTC for the lease of the Pebbles building, and separately enter into an agreement (for a shorter but still substantial term of around 25 years) with an experienced cinema operator to run the cinema and its associated facilities (including food and drink).

TTC Approval

The company Prospectus together with the Feasibility Study Report will provide the technical and financial information necessary for the cinema group to seek approval from TTC for committing investment in the Cinema. This information will also facilitate approaches for financial backing to other potential finance sources (local residents and businesses, ABC, banks etc) and reaching agreement with a preferred operator.

White Stuff Lease

Upon TTC commitment in principle to the future lease of The Pebbles to the cinema company, it is envisaged that TTC would give notice to White Stuff that the current lease, which runs until October 2021, would not be extended.

Stage 2 – Initiation

The Initiation Stage will have three main thrusts, financial, technical and operational. It is expected to start in June 2020 and run until November 2021.

Finance

The first step in the initiation stage will be to finalise the legal structure and commence raising the initial tranche of funds, either through sale of shares or through loans and/or bonds. The receipt of these funds by the company would then allow the appointment of the architect and consultants to undertake the ongoing technical tasks in the Initiation Stage. Further investment by other parties in the subsequent tranches, bonds and loans, will provide the remainder of funds the company needs move forward and to achieve “financial close” and allow the company to award the construction contract. The sourcing of the second and third tranche of investment would proceed in parallel with the technical tasks.

Technical

The technical elements of the initiation stage comprise the preparation of the design brief, the appointment of a project manager and consultants for the design and contract supervision/administration of the cinema construction works. Following appointment of the consultants, the design would be finalised and a detailed planning application and request for listed building consent will be submitted to ABC, with determination expected in January 2021.

Bid documents would be prepared ready for a Call for Tenders from suitably qualified and experienced builders. It is envisaged that there would be two parallel contracts: firstly with TTC as the Employer for works within the existing Pebbles building and secondly a contract with the Cinema Newco as the Employer for the new-build works. This arrangement is proposed as TTC would be able to reclaim VAT on the works to the existing Pebbles building thus reducing overall cost by some £100,000. The bids would be evaluated jointly and the two contracts awarded to the same company as outlined in the Request for Proposals.

The bid documents would include detailed technical specifications and drawings. Currently it is anticipated that the building would be constructed to “grey shell” stage ready for internal fit out and equipment installation by the cinema Operator. The stage of completion at which the building is handed over to the Operator will be subject to further discussion as part of the process for selection of the Operator.

It is envisaged that a period of 4 months would be required from issue of the bid invitation to award of contracts. This period allows time for site inspection, response to any queries, preparation of bids, appraisal of bids, and negotiations leading to contract award.

Operation

During the initiation stage approaches would be made to potential cinema operators. Following initial discussions with interested parties that have proven experience in cinema operation and management a formal invitation would be issued to Operators to submit proposals for their involvement in the Pebbles cinema. Operators would be expected to indicate the length of contract and financial terms that they would be seeking and the state of completion of the Pebbles building that they would expect at handover. Following receipt of proposals a “Preferred Operator” would be selected and a tenancy agreement and binding financial commitment for the fit-out costs signed. The agreement between the company and the Preferred Operator with respect to the state of the Pebbles at handover would be incorporated in the construction bid documents.

Stage 3 – Implementation

A 9-month construction period is envisaged commencing in November 2021 with handover to the Operator in July 2022 for fitting out and staff training. Cinema opening is targeted for October 2022.

