

Report to:	EXECUTIVE
Relevant Officer:	Alan Cavill, Director of Place
Relevant Cabinet Member:	Councillor Gillian Campbell, Deputy Leader of the Council (Tourism, Economic Growth and Jobs)
Date of Meeting:	13 March 2017

WINTER GARDENS SPANISH HALL ROOF AND CORONATION STREET FACADE

1.0 Purpose of the report:

- 1.1 To consider the authorisation of £1,995,000 expenditure and the associated funding package in order to carry out priority works to the Coronation Street façade and Spanish Hall roof of the Winter Gardens complex.
- 1.2 Subject to authorisation, the funding package for the priority works will include £895,000 Prudential Borrowing and £600,000 Corporate allocation from the Council's Capital Programme provided over two financial years 2017/18 and 2018/19, in addition to £500,000 grant funding.

2.0 Recommendation(s):

- 2.1 That expenditure of £1,995,000 is authorised in order to carry out priority repairs to the Coronation Street façade and Spanish Hall roof of the Winter Gardens complex.
- 2.2 That Prudential Borrowing of £895,000 and a £600,000 Corporate allocation from the Council's Capital Programme provided over two financial years 2017/18 and 2018/19 is authorised in order to fund priority repairs to the Coronation Street façade and Spanish Hall roof of the Winter Gardens complex.

3.0 Reasons for recommendation(s):

- 3.1 To support and enhance the Winter Gardens complex in contributing toward attaining the Council vision for Blackpool of being the UK's number one family resort with a thriving economy that supports a happy and healthy community who are proud of this unique town.
- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

Delay the priority repairs to the Spanish Hall roof and Coronation Street façade.

This course of action would reduce the contribution the Winter Gardens complex can make toward the attainment of Blackpool being the UK's number one family resort, as the appearance and lettable space of the complex is adversely affected by the building condition issues this report seeks to address. A delay, or taking no action, would also result in the loss of grant funding and projected incremental net income whilst generating further costs associated with the temporary measures currently in place, in addition to greater deterioration in building condition.

4.0 Council Priority:

4.1 The relevant Council Priority is: "The economy: Maximising growth and opportunity across Blackpool".

5.0 Background Information

5.1 The Spanish Hall contains some of the most important historic features within the Winter Gardens complex. The existing condition of the roof to the Spanish Hall dictates this space is grossly underused which in turn results in lost net income.

5.2 In addition the roof condition is such that if not addressed it is probable that further deterioration of the historic building fabric would occur which would be difficult to recover, whilst the associated cost of overall rectification is highly likely to increase.

5.3 The total pre-tender estimated cost of the Spanish Hall roof repairs is £1,345,000. Grant funding of £500,000 has been offered as contribution toward the cost of repairs. Match funding of £845,000 is required which, subject to approval, would be provided via Prudential Borrowing and funded by way of incremental net income generated through letting the Spanish Hall once repairs are complete.

5.4 During 2016 a number of failures to the Coronation Street façade of the Winter Gardens complex occurred. This necessitated the erection of temporary scaffold including crash deck to the Coronation Street elevation.

5.5 Inspection has revealed extremely poor façade condition. Sections of the underlying structure are exposed to the elements with high potential for water ingress. If not addressed, it is likely to result in the building condition deteriorating further and the eventual cost of repair increasing.

5.6 The total pre-tender estimated cost of the Coronation Street façade repair is

£650,000. Subject to approval, this will be funded by a £600,000 Corporate allocation from the Council's Capital Programme over two financial years 2017/18 and 2018/19, and £50,000 Prudential Borrowing.

5.7 It is currently anticipated the building issues set out in this report will be addressed in 2017 and 2018. A programme of works will be drawn up in consultation with the operator of the Winter Gardens and other stakeholders so as to minimise disruption.

5.8 Does the information submitted include any exempt information? No

5.9 List of Appendices:

None

6.0 Legal considerations:

6.1 The Council's contracting and commissioning procedures will apply. A suitable contract will be developed in consultation with the Council's Legal Services team.

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None

9.0 Financial considerations:

9.1 Blackpool Council would be required to prudentially borrow £895,000 which, together with the grant offer of £500,000 and £600,000 Corporate capital programme allocation would finance the programme of works set out in this report.

9.2 Blackpool Entertainment Company Limited has provided a forecast of incremental net revenue to be generated through the Spanish Hall once repairs to the roof have been completed and the space becomes fully lettable. Prudential borrowing will be financed through this incremental net revenue.

9.3 The useful life of the investment set out in this report is estimated to be forty years. The financing term has been matched to the useful life of the investment. Financing costs outstrip forecast incremental net revenue in the early years of the scheme however the project in its entirety is forecast to generate a surplus. Deficits early in the term contribute toward working capital balances.

9.4 Completing the works as set out in this report also allows the Council to utilise £500,000 grant funding contribution offered.

9.5 Existing Winter Gardens operational maintenance budgets are fully allocated to other areas of the complex.

9.6 Cost savings would be made by taking the course of action recommended in this report when compared to the option of delaying works to the future.

10.0 Risk management considerations:

10.1 A number of robust financial and performance management controls and measures would be implemented and maintained in order to manage these projects. The Council has undertaken to ensure rigorous risk management remains in place in the delivery of this scheme.

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 Consultation has taken place with internal departments and external stakeholders on the requirements set out in this report.

13.0 Background papers:

13.1 None

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 9/2017

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency: N/A

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 3 March 2017

Date approved: N/A

17.0 Declarations of interest (if applicable):

17.1 None

18.0 Executive decision:

18.2 **Date of Decision:**

19.0 Reason(s) for decision:

19.1 **Date Decision published:**

20.0 Executive Members in attendance:

21.0 Call-in:

22.0 Notes: