

Report to:	EXECUTIVE
Relevant Officer:	John Blackledge, Director of Community and Environmental Services
Relevant Cabinet Member:	Councillor Jim Hobson, Cabinet Member for Climate Change and Environment
Date of Meeting:	22 March 2021

TRAMWAY WORKS PRUDENTIAL BORROWING

1.0 Purpose of the report:

1.1 To consider whether to fund essential tramway works through Prudential Borrowing.

2.0 Recommendation(s):

2.1 To approve Prudential Borrowing up to £900,000 to fund the capital works to the tramway, as outlined in paragraph 6.6, to be repayable up to five years.

3.0 Reasons for recommendation(s):

3.1 The tramway is a vital economic asset for Blackpool and Lancashire, which was used by 4.8 million passengers in 2019/20. Its state of the art Bombardier Flexi 2 trams are a plus for Blackpool and Lancashire County Council together with the heritage vehicles still in use and maintain the tramway as a Lancashire, Blackpool and Fylde Coast icon. In order to ensure that the tramway system continues to operate and to extend its operational life, works are required beyond that undertaken during day to day maintenance.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 To not carry out the works could ultimately lead to the closure of the tramway.

5.0 Council priority:

5.1 The relevant Council priority is: “The economy: Maximising growth and opportunity across Blackpool”.

6.0 Background information

- 6.1 The tramway service is a vital economic asset to Blackpool and Lancashire County Council who jointly have achieved significant investment not only in the line, but also in the trams themselves; Bombardier Flexi 2 Trams.
- 6.2 The tramway is operated by Blackpool Transport Services along 11 miles of coastline from Squires Gate in Blackpool to Fleetwood. In 2019/20 financial year 4.8m residents and visitors to the Fylde Coast used the service.
- 6.3 The track is maintained daily by Blackpool Council in conjunction and partnership with Lancashire County Council (LCC), jointly funding the maintenance requirement based on the percentage of track in Blackpool and Lancashire.
- 6.4 A recent commissioned track survey highlighted a number of areas of work that need to be undertaken in the short to medium term to ensure the tramway can continue to operate to the required standards. Given the specialist nature of the works and the limited number of contractors able to undertake these works, the most cost effective way is to procure a suitable contractor(s) to undertake all the works one scheme to minimise track disruption and gain economies of scale in procuring the works. Following completion of the work, this would ensure the continued safe operation of the track and service.
- 6.5 The works required which would add to the value of the asset and extend its life include rail replacement and installation of new under run protection, which is now required as a result of new health and safety guidelines at crossing points on the track by the Light Rail Safety Standards Board. This would be outdated by the Office of Rail and Road in the future to ensure compliance.
- 6.6 The total cost of these works is £1.1m, which Blackpool and Lancashire County Council have identified an amount of additional annual funding over the next five years to pay for this. In terms of this, it would be used to pay back the works carried out in 2021/22.

The key areas of work are as follows:

1. Tramping Works	£200k
2. Installation of rail and new under run protection units	£900k
Total	£1.1m

6.7 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 None.

8.0 Financial considerations:

8.1 The £1.1m of works is broken down between £200,000 of maintenance works and £900,000 of capital works. Maintenance works will be funded from the available revenue budget. The service will fund the capital works via Prudential Borrowing at the pooled rate over a period up to five years. The service has identified relevant budget to pay these Prudential Borrowing costs.

9.0 Legal considerations:

9.1 The work will be undertaken in accordance with the latest health and safety legislation.

10.0 Risk management considerations:

10.1 If this work is not undertaken then it could result in the total closure of the network.

11.0 Equalities considerations:

11.1 Equalities issues have been considered and there is no adverse impact.

12.0 Sustainability, climate change and environmental considerations:

12.1 The capital works are required in order for the efficient and effective operation of the tramway.

13.0 Internal/external consultation undertaken:

13.1 Consultation has taken place in conjunction with Lancashire County Council, Blackpool Council's procurement services, Blackpool Transport Services and Blackpool's Highway Consultative Forum.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 6/2021

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

15.4 If **yes**, please describe the reason for urgency:

16.0 Call-in information:

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

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 12 March 2021 Date approved:

18.0 Declarations of interest (if applicable):

18.1

19.0 Executive decision:

19.1

20.0 Date of Decision:

20.1

21.0 Reason(s) for decision:

21.1

22.0 Date Decision published:

22.1

23.0 Executive Members in attendance:

23.1

24.0 Call-in:

24.1

25.0 Notes:

25.1