

Notice of:	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 Decision:	20 th July 2015

ESSENTIAL TOWER STEEL WORKS

1.0 Purpose of the report:

- 1.1 To consider the option of £1,800,000 Prudential Borrowing in order to finance essential steel works to Blackpool Tower, as part of the current ongoing project.

2.0 Recommendation(s):

- 2.1 That the essential steel works as outlined to Blackpool Tower are financed via Prudential Borrowing.

3.0 Reasons for recommendation(s):

- 3.1 To allow the arrangement of funding to be used in financing essential steel work repairs to Blackpool Tower.

To ensure the condition of the Tower steel work remains structurally sound.

In order to avoid the costs of immediate abortive works, and limit further remedial attention in the future.

To support the regeneration and economy of the 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:

An alternative option would be to abort the current Tower steel works, restarting at a later date. This option is considered inferior to that being recommended as:

- A significant proportion of the Prudential Borrowing requirements would still exist
- Abortive costs associated with dismantling the existing scaffold and vacating the site would be incurred
- Completion of the remaining essential steel work and the associated expense would still be required in the future

In addition, this option would result in further delays in completing this project, as well as increased overall costs and further operational disruption.

4.0 Council Priority:

4.1 The relevant Council Priorities are:

“Expand and promote our tourism, arts, heritage and cultural offer” and “Attract sustainable investment and create quality jobs”

5.0 Background Information

5.1 Blackpool Council took ownership of the Tower in March 2010. An ongoing steel renovation and replacement programme has continued to take place since that time, in order to ensure the steel is structurally sound and safeguarded for the future.

5.2 During these works, substantial amounts of severely corroded Steel, requiring urgent replacement, has been identified. Despite detection of damaged sections of the structure, the full scale of the problem could not be ascertained until work to rectify the issue was largely completed.

5.3 A significant proportion of the issue has now been dealt with and this, together with the impact of inflation on the contract plus additional preliminary and ancillary costs has contributed to the requirement for additional financing.

5.4 Does the information submitted include any exempt information?

No

5.5 **List of Appendices:**

None

6.0 Legal considerations:

6.1 None.

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 £1,800,000 in order to finance the works to completion of the project.

9.2 The resultant debt financing costs will add to the Leisure Assets cumulative deficit, currently standing at £3,308,000 and be managed through the balance sheet. This would now mean that the Leisure Assets Medium Term Financial Plan shows that an in-year surplus is forecast in the 2017/2018 financial year.

10.0 Risk management considerations:

10.1 Completion of the works as recommended in this report will:

- Significantly guard against the risk of further major steel work requirements in the short to medium term, and the associated operational disruption
- Help to mitigate against the risk of further degradation of the steel structure

10.2 A number of robust financial and performance management controls and measures would be implemented and maintained in order to manage the remaining steel works. The Council has undertaken to ensure rigorous risk management remains in place in the delivery of this project.

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 Consultation has taken place with both internal departments and external consultants 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: 11/2015

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:

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:

Not applicable.

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: N/A 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: