

Notice of:	EXECUTIVE
Decision Number:	EX34/2023
Relevant Officer:	Alan Cavill, Director of Communications and Regeneration
Relevant Cabinet Member:	Councillor Lynn Williams, Leader of the Council
Date of Meeting:	11 September 2023

BLACKPOOL TOWER STRUCTURAL STEEL REPLACEMENT AND REPAINTING

1.0 Purpose of the report:

1.1 To progress the continued renewal and repainting of the Blackpool Tower steel structure including the completion of all due diligence associated with the project and to complete the project funding package.

2.0 Recommendation(s):

2.1 That the Director of Communications and Regeneration be provided with delegated authority to progress the continued renewal and repainting of the Blackpool Tower steel structure, to include the completion of all due diligence associated with the project, as set out in this Executive report and Appendix 4a to the Executive report.

2.2 To authorise the Head of Legal Services to continue to enter into any such documentation as may be necessary and to consider and deal with such due diligence as may be required to provide for completion of the Blackpool Tower steel structure renewal and repainting Scheme.

2.3 That authority is provided to complete the project funding package of eleven million pounds, through debt finance in the form of Prudential Borrowing, over six years commencing in Financial Year 2022/23, as detailed in the Appendix 4a to the Executive report.

3.0 Reasons for recommendation(s):

3.1 To help safeguard Blackpool Tower into the future, extending the useful economic life of the asset considerably, and allow the Tower to continue to significantly contribute 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.

3.2 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 The Blackpool Tower structure renewal and repainting programme is driven by recommendations provided by the Council's structural engineers, Ove Arup Limited, following the completion of twice-annual structural surveys, which is supplemented by further desk top analysis and calculations of the steel assembly. Works identified as required are prioritised based on the condition of the steel, and the necessary intervention is then completed accordingly. The works are essential in order to significantly extend the useful economic life of the asset, preserve and maintain the structural integrity of the Tower and safeguard the ability to continue to operate the Tower as a world-class family focused visitor destination and one of Blackpool's flagship visitor attractions. On this basis, the proposal set out within this report is the only option available.

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 Since its acquisition by Blackpool Council in 2010, the steel structure of Blackpool Tower has benefitted from an ongoing renewal programme, which has addressed a considerable number of requirements including partial lift pit and lift shaft steel replacement, installation of new access ladders and platforms, the replacement of a range of individual steel members and connection details, and repainting. However, due to the age of the structure and minimal maintenance historically, in addition to the geographical location of the Tower and the associated exposure to adverse weather, works continue to be required.

6.2 Blackpool Council has appointed specialist structural engineers, Ove Arup Limited, to advise on the renewal works needed to the Tower steel structure, in order to maintain and preserve it. The advice provided by Ove Arup Limited is based on the completion of physical structural surveys of the steel structure, which are currently undertaken twice each year. The surveys are further complimented by desk-top structural analysis and calculations. This sets out the requirements for steel renewal and replacement, and repainting, needed to maintain and preserve the integrity of the Tower structure.

6.3 The works currently identified as necessary are likely to require a programme duration of between at least five to seven years. It is planned that works would be packaged and completed in specific areas of the Tower on a logical basis, moving to the following package of work in the next section of the structure once the previous works package has been completed, as far as possible. This approach is designed to minimise the operational and visual impact of necessary temporary access structures such as scaffold and encapsulation materials, whilst maximising efficiency of the works and minimising cost. Scheduling of the works is a continual planning and programming process.

6.4 The works currently identified as required include:

- Removal of the existing stair structure and making good
- Further steel, concrete and paint renewal works to the lift shafts and lift pit
- Replacement of individual steel components, members and connections, across the entire structure
- Replacement of secondary steel elements
- Repainting of the structure in accordance with the Ove Arup Limited specification requirements
- Removal of redundant items such as secondary steel and other miscellaneous items
- Replacement of ladder platforms and landings and the associated support steelwork
- Repair and renewal of concrete structural elements

6.5 Ove Arup Limited has produced a paint specification and confirmed its application provides a useful life of twenty years. This ensures that all new and existing steel to which the Arup paint specification is applied, will not require further replacement for at least twenty years. On this basis, the benefit of the works as set out in this report accrues over a period of twenty years, significantly extending the useful economic life of the asset. This offers a number of benefits including:

- The cost of the works can be capitalised and realised over the same time period as the life of the works. Expense can therefore be spread over the life of the asset, twenty years
- The treatment of scheme costs in this way assists in maintaining the current Leisure Asset Portfolio Medium Term Financial Plan position
- It is envisaged the capital expenditure proposed, as set out in the appendix to this paper will address the currently identified steel renewal and repainting requirements, and these works are currently anticipated to be complete over the next five to seven years

6.6 Blackpool Council has appointed a locally based main Contractor to complete previously instructed steel renewal works. Should the proposals put forward in this report be approved, further instructions will be issued to the existing main Contractor to complete the required

steel works. Options for undertaking the painting of the structure currently remain under consideration.

6.7 It is anticipated the authority sought through this Executive report will allow completion of the currently identified works required to the Blackpool Tower structure, in addition to finalising the associated funding package.

6.8 Does the information submitted include any exempt information? Yes

7.0 List of Appendices:

7.1 Appendix 4a: Finance – Commercially Sensitive Information.

Appendix 4a is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered on balance that the public interest would be not served by publishing information at this stage.

8.0 Financial considerations:

8.1 It is proposed the project is funded through debt finance in the form of Prudential Borrowing.

8.2 Financial information including the estimated capital expenditure and forecast finance costs for the scheme are set out in the financial Appendix 4a to this Executive report.

8.3 Historical costs for similar work to the Grade I listed structure have been used as a baseline on which to draft expenditure estimates. However, the works required are unique and there are many constraint and risk considerations to the works including physical access, weather conditions, the operational nature of the Tower, the age of the structure, and the continual condition survey process. Given these considerations, cost estimates are likely to fluctuate. Expenditure will be closely monitored and controlled as part of the scheme delivery, and this will include regular updating of cost forecasts.

8.4 Subject to authority, funding is to be met through Prudential Borrowing. Table 1 overleaf sets out the debt repayment estimates in summary form.

Table 1 - Estimated Debt repayments Summary

£'000's

Year	0	1	2	3	4	5	6 - 24	Total
Debt finance costs	102	355	601	789	972	1,046	12,882	16,748

Financial analysis confirms expenditure associated with the required works is met through income generated by the Strategic Leisure Assets Portfolio, as was envisaged at the point of original acquisition, and the continuation of the current forecast level of revenue, from the assets over the term of this scheme, is intrinsic to meeting the cost of this project.

9.0 Legal considerations:

9.1 The Council's Corporate Procurement department developed a compliant procurement route utilised in the appointment of all contractors and structural engineers associated with these works. Through that procurement route the Council has ensured the achievement of:

- Effective market testing to seek a minimum of three proposals, where possible, so as to help ensure value for money is being achieved
- Engagement with local construction companies and supply chain has been undertaken. Due to the nature of the services required, the appointment of local contractors is not possible for some specialist work
- Assessment of key Information and declarations including satisfactory health and safety matters, grounds for exclusion and subcontract information
- Financial due diligence undertaken as required
- Collateral warranties to be in place where appropriate
- Expectations to be put in place around the visual impact of the site as works commence to help ensure a safe, smooth, positive and uninterrupted visitor experience while minimising the visual impact of the scheme

9.2 The Council's Legal Services team has assisted in the drafting of contracts, which form the legal agreements between the Council and appointed contractors.

9.3 The Council's contracting and commissioning procedures have been applied when entering into contracts with Contractors and Structural Engineers.

10.0 Risk management considerations:

10.1 The works associated with this scheme are risk inherent due to a number of factors and constraints and will require careful judgement and coordination. Key risks in completing the works include:

- Access constraints. Due to the nature of the 158-meter tall Tower and the different locations where works are required within the structure, access management to complete the intervention needed is a key risk consideration. Minimising the amount of scaffold and encapsulation system used to access the works locations adequately, at any one time, has a beneficial impact on cost and also reduces the potentially

perceived negative visual impact of the access scaffold and protective wrap.

In order to mitigate this risk works are to be complete, in their entirety (as far as possible), in a particular location on the structure employing a full scaffold and wrap when required, using a logical methodical approach and moving from the roof level of the Tower building up the structure. This will help reduce the amount of assembly and disassembly of scaffold and encapsulation as far as possible in the different sections of the Tower and reduce cost, while minimising the amount of scaffold and wrap in place on the Tower throughout the project duration. Work schedules will remain under constant review throughout the programme of activity with the aim of maximising efficiency in this regard.

- The Tower will continue to function as a world-class visitor attraction throughout the delivery of this scheme.

In order to help mitigate the impact of the works on the visitor experience and operation of the Tower Eye, activity in these areas (lift shaft, lift pit and Tower Top) is to be programmed to take place out of the main visitor season as far as possible. Works in locations not impacting the lifts and Tower Top will be dealt with at other times. In this way, the risk of effecting the operation of the Tower as a result of the works will be minimised.

- The Tower steel structure is complex in its build-up and this factor, together with its age and access constraints, the Grade I listed building status, and the continual condition survey process, make it difficult to

establish the full detail of the works required. This generates the risk of works scope creep and the associated impact this can have on cost increase, extending the programme duration and complexity of the works to be done.

Measures implemented to help control this risk include site surveys undertaken twice per year along with additional structural analysis and calculations to constantly monitor the condition of the structure.

Close supervision of the works, completed by the appointed structural engineers Ove Arup Limited, also helps to ensure the correct level of quality workmanship is achieved in obtaining the required performance of the installations and prevent revisiting works once they are complete.

These measures help to confirm the scope of the works required and provide price certainty as far as possible however, the current cost estimates are based on historic expenditure levels and currently known requirements and until the full scope of work is identified and quotes instructed costs and programme may fluctuate.

- Other works, including Tower illuminations and general building work, will continue while the structural steel works take place. This generates increased site management and logistics complexity and the associated risk of potential delays and increased cost.

Regular project meetings and direct communication routes between different contractors on site, managed by the project team, assists in ensuring each works discipline is aware of the specific activity planned and helps allow effective site coordination to take place. In addition, the main steelwork Contractor has overall responsibility for managing the site, and in this way, details of other works taking place including health and safety considerations and procedures, and logistical matters, are agreed with the main Contractor prior to commencement. These measures help to manage this site coordination risk.

- Adverse weather has the potential to severely impact on the pace of works and the associated negative impact on programme. High winds dictate that access to the working areas is prohibited in order to adhere to health and safety requirements, while painting of the structure can be hampered by rain and low temperature or high humidity conditions.

This risk factor is largely outside of the control of the project team however, procedures are in place to closely monitor weather forecasts to help plan works to take place in favourable conditions where possible, while encapsulation of working areas also assists in mitigating the risk of adverse weather conditions.

- Degradation of the structure. The programme of works is estimated to have a duration of between five to seven years. During this period the possibility of further deterioration to the steel structure is a risk. Ove Arup Limited have established a paint specification that provides protection of the structure for a period of twenty years, which significantly extends the useful economic life of the asset. As steel is renewed, this paint system is applied to new and existing elements of the structure.

In order to mitigate the risk of further deterioration of the structure it is important that the new paint system is applied as soon as possible. Works are to be programmed to apply the new paint as steelwork replacement is complete.

11.0 Equalities considerations and the impact of this decision for our children and young people:

11.1 Contractors are closely monitored in regard to taking responsibility for completing the works while applying ethical principles, including:

- Respect is shown in the conduct of undertaking the works and when communicating with stakeholders

- Health and Safety regulations are complied with as required and the works site is well managed and presented
- Transparency is a key requirement when communicating with stakeholders including reporting on progress of the works. Regular updates are obtained from contractors and where material changes in forecast works progress is apparent, detailed explanations are required. This helps ensure transparency of reporting from the outset

12.0 Sustainability, climate change and environmental considerations:

12.1 The specification requirements for the works to be undertaken as part of this scheme require that strict environmental standards are applied. Works are monitored closely to help ensure these conditions are met and this process is managed through the works contract mechanism.

13.0 Internal/external consultation undertaken:

13.1 Consultation has taken place with both internal departments and external consultants on the requirements set out in this report.

Stakeholder communication will continue throughout the delivery of this project.

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: 15/2023

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:

Not applicable.

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: 1 September 2023 Date approved:

18.0 Declarations of interest (if applicable):

18.1 None.

19.0 Summary of Discussion:

19.1 Mr Alan Cavill, Director of Communications and Regeneration, presented the report to the Executive and highlighted the need for such works based on the report of the Council's structural engineers. The Council had an obligation protect both the heritage asset of the Tower and a key tourist attraction. In response to questions by the Executive Mr Cavill explained that the painting system had been tested in other similar marine environments so there was confidence that it would last for the anticipated period and this was backed by a guarantee from the company concerned. In response to a further question Mr Cavill explained that the profitable nature of the Tower meant that it would be unlikely to qualify for heritage grants but that officers would continue to explore such options.

20.0 Executive decision:

20.1 The Executive resolved as follows:

1. To agree that Appendix 4a to the Executive report, the Financial Considerations is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it includes detailed costings that enable the scheme to be viable. The publication of such information could prejudice continuing and future negotiations.

2. That the Director of Communications and Regeneration be provided with delegated authority to progress the continued renewal and repainting of the Blackpool Tower steel structure, to include the completion of all due diligence associated with the project, as set out in this Executive report and Appendix 4a to the Executive report.

3. To authorise the Head of Legal Services to continue to enter into any such documentation as may be necessary and to consider and deal with such due diligence as may be required to provide for completion of the Blackpool Tower steel structure renewal and repainting Scheme.

4. That authority is provided to complete the project funding package of eleven million pounds, through debt finance in the form of Prudential Borrowing, over six years commencing in Financial Year 2022/23, as detailed in the Appendix 4a to the Executive report.

21.0 Date of Decision:

21.1 11 September 2023

22.0 Reason(s) for decision:

22.1 To help safeguard Blackpool Tower into the future, extending the useful economic life of the asset considerably, and allow the Tower to continue to significantly contribute 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.

23.0 Date Decision published:

23.1 12 September 2023

24.0 Alternative Options Considered and Rejected:

24.1 The Executive noted that there were no realistic alternative options as The Blackpool Tower structure renewal and repainting programme had been driven by recommendations provided by the Council's structural engineers, Ove Arup Limited, following the completion of twice-annual structural surveys, which is supplemented by further desk top analysis and calculations of the steel assembly. Works identified as required are prioritised based on the condition of the steel, and the necessary intervention is then completed accordingly. The works are essential in order to significantly extend the useful economic life of the asset, preserve and maintain the structural integrity of the Tower and safeguard the ability to continue to operate the

Tower as a world-class family focused visitor destination and one of Blackpool's flagship visitor attractions. On this basis, the proposal set out within this report was considered by the Executive only option available.

25.0 Executive Members in attendance:

25.1 Councillor Williams, in the Chair

Councillors Benson, Burdess, Farrell, Hobson, M Smith and Taylor

26.0 Call-in:

26.1

27.0 Notes:

27.1 The Following Non-Executive Members were in attendance: Councillors Hunter, Marshall and Webb.