

Report to:	Council	Date of Meeting:	Thursday 21 January 2021
Subject:	Financial Management 2020/21 to 2023/24 and Framework for Change 2020 - Revenue and Capital Budget Update 2020/21 including the Financial Impact of COVID-19 on the 2020/21 Budget - Capital Budget Update – Additional Capital Estimates		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	All Wards
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

This report sets out two new schemes for approval in the Council's Capital Programme following recommendations for approval by Cabinet on 5 November 2020 for a scheme at Dunes Splash World and 3 December 2020 for a scheme at Ainsdale.

Recommendation(s):

Council is asked to approve:

1. A supplementary capital estimate of £1.200m for an Essential Maintenance Programme at Dunes Splash World, to be funded from Council resources (paragraph 2); and,
2. A supplementary capital estimate of £0.352m for Ainsdale Coastal Gateway, to be funded from Council resources (paragraph 3);

Reasons for the Recommendation(s):

To approve updates to the 2020/21 and future year's Capital Programme and funding resources so that they can be applied to the capital schemes in the delivery of the Council's overall capital strategy.

Alternative Options Considered and Rejected: (including any Risk Implications)

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

The Council may be required to borrow from the Public Works Loans Board in order to fund the scheme at Ainsdale. The cost of this borrowing will be met from income generated by the scheme or from the Green Sefton Service existing revenue budget in the event of a deficit.

(B) Capital Costs

The total capital cost of the two schemes will be £1.552m financed from capital receipts (£1.200m) and borrowing and other available funding sources (£0.352m).

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): Additional borrowing costs may impact on the revenue budget if these cannot be met by income generated by the scheme at Ainsdale.</p>
<p>Legal Implications: None</p>
<p>Equality Implications: None</p>

Contribution to the Council’s Core Purpose:

Protect the most vulnerable: n/a
Facilitate confident and resilient communities: n/a
Commission, broker and provide core services: n/a
Place – leadership and influencer: n/a
<p>Drivers of change and reform: There are opportunities for improvements to facilities in advance of the 2021 summer season, that will mitigate the ongoing impact of larger visitor numbers on communities (given challenges in 2020).</p>
<p>Facilitate sustainable economic prosperity: Both schemes are intended to generate long-term revenue streams for the Council that will contribute to the net cost of services.</p>
Greater income for social investment: n/a
Cleaner Greener: n/a

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources & Customer Services is the author of the report (FD6237/20)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD4438/20).

(B) External Consultations

N/A

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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1. This report seeks approval to provide capital funding to undertake essential repairs at an existing Council facility and to undertake investment in new and semi-permanent visitor facilities. Both schemes will generate additional income for the council, along with attracting visitors to the area and in turn, stimulating the local economy.

2. Essential Maintenance Programme – Dunes Splashworld

- 2.1. Essential repairs are required to the structure and fabric of this key Council facility, which was closed in December 2019 due to significant health and safety concerns. The repair works will allow for it to re-open and thereby continue to generate income for the Council, as well as attracting visitors to the area and in turn stimulating the local economy.
- 2.2. The programme of essential repair work is estimated to cost £1.2m and will be funded from Council resources (capital receipts) pending the outcome of an ongoing legal claim regarding defects with the developer. Approval is therefore sought for a supplementary capital estimate.

3. Ainsdale Coastal Gateway

- 3.1. Ainsdale Beach saw significant visitor numbers in 2020. To cope with these additional visitors, beach parking was provided free of charge for a number of months until August and portable temporary toilets and skips were provided to deal with the extra numbers.
- 3.2. There are now opportunities for improvements to parking facilities at the coastal gateway in advance of the 2021 summer season, that will mitigate the impact of larger visitor numbers on local communities and will create long-term revenue streams for the council.
- 3.3. It is proposed to make a capital investment in the Ainsdale Gateway over Winter 2020, so that by Spring/Summer 2021 there are new and semi-permanent facilities in place to provide for anticipated increased visitor numbers, to reduce impact on local communities, and to create potential income streams.
- 3.4. Council is therefore recommended to approve a supplementary capital estimate of £0.352m for inclusion in the capital programme funded by Council resources (Public Works Loans Borrowing and other available funding sources) the cost of which will be met from income generated. In the event of a deficit existing this will be funded by the service's existing revenue budget.