

<b>Report to:</b>	Council	<b>Date of Meeting:</b>	Thursday 17 November 2022
<b>Subject:</b>	Financial Management 2022/23 to 2024/25 and Framework for Change 2020 - Revenue and Capital Budget Update 2022/23 - Additional Estimates		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	All Wards
<b>Portfolio:</b>	Cabinet Member - Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

This report sets out a supplementary estimate for approval in the Council's Capital Programme 2022/23 following recommendation by Cabinet on 3 November.

### Recommendation(s):

Council is recommended to approve a supplementary capital estimate of £0.350m for essential repairs and maintenance at two Leisure Centres funded by Prudential Borrowing.

### Reasons for the Recommendation(s):

To approve updates to the 2022/23 Capital Programme so that they can be applied to schemes in the delivery of the Council's overall financial 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 estimated cost of borrowing is £0.024m per annum over 25 years and this will be funded by an increase to Leisure Centre income targets.

#### (B) Capital Costs

The total cost of the schemes will be £0.350m funded by prudential borrowing.

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>	
None	
<b>Legal Implications:</b>	
None	
<b>Equality Implications:</b>	
There are no equality implications.	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N
<p>The allocations of funding outlined in this report may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help to mitigate negative impacts.</p>	

**Contribution to the Council's Core Purpose:**

Effective Financial Management and the development and delivery of sustainable annual budgets support each theme of the Councils Core Purpose.

Protect the most vulnerable: see comment above
Facilitate confident and resilient communities: see comment above
Commission, broker and provide core services: see comment above
Place – leadership and influencer: see comment above
Drivers of change and reform: see comment above
Facilitate sustainable economic prosperity: see comment above
Greater income for social investment: see comment above
Cleaner Greener: see comment above

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD.7005/22) and the Chief Legal and Democratic Officer (LD.5205/22) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

N/A

**Implementation Date for the Decision**

Immediately following the Council meeting.

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**Appendices:**

There are no appendices to this report

**Background Papers:**

There are no background papers available for inspection.

## **1. Leisure Centres – Essential Repairs and Maintenance**

- 1.1. Sefton's six leisure centres are now of an age where large cost items are reaching end of life. These items are not scheduled to be replaced as part of the existing repairs and maintenance cycle and relate to both Health & Safety and compliance with the Equalities Act (EA). Furthermore, the increasing age of the buildings and the absence of building lifestyle plans and sinking funds is placing increasing pressure on maintenance budgets. There are two centres that require urgent works to be completed: Bootle Leisure Centre (BLC) and Netherton Activity Centre (NAC).
- 1.2. The roof at BLC is leaking in a number of places which results in the sports hall being out of order, this obviously affects income. The roof has a number of photovoltaic (PV) panels fitted and it is believed that some of the leaks have been caused by these panels. The panels are old and there is little or no technical knowledge about them. Several roofing contractors have been approached to carry out repairs, but they are unwilling to do any work whilst the PV panels remain. A number of options are currently being reviewed around the panels to remove, replace, do not replace or re-site. Given the age of the roof and its realistic lifespan it is recommended that the roof be replaced at an estimated cost of £202k with some potential additional cost relating to the PV panels.
- 1.3. Secondly the lift at BLC has failed. The lift was installed in 1993/94 and due to the length of time the lift has been in situ the parts needed to repair it have become obsolete and the company that installed it are no longer trading. The only option is to replace the lift with a new replacement at an estimated cost of £38k which will ensure continued EA compliance.
- 1.4. The rebound boards that surround the 3G football pitches at NAC have failed. Over time they have crumbled and split and require replacing. There have been significant issues sourcing the materials and prices have risen significantly over the last 12 months. The estimated cost to replace all boards and keep this valuable income generating facility open will be £103k. This will involve replacing the boards with fencing which also has a significantly increased life span.
- 1.5. Cabinet on 3 November recommended to Council to approve a supplementary capital estimate of £350,000 financed by Prudential Borrowing for the essential repairs and maintenance listed above at BLC and NAC. The cost of borrowing will be funded by an increase to Leisure Centre income targets. It is believed that a nationally benchmarked external analysis of Leisure Centre income and expenditure could highlight opportunities to generate increased revenues that could not only be utilised to cover the cost of borrowing, but also pay for the cost of a marketing function and the longer-term preservation of the assets.