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<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 6 October 2016
<b>Subject:</b>	Southport Pier and Seafront Coastal Communities Fund Submission	<b>Wards Affected:</b>	Cambridge; Dukes;
<b>Report of:</b>	Head of Inward Investment and Employment and Head of Regeneration and Housing		
<b>Is this a Key Decision?</b>	Yes	<b>Is it included in the Forward Plan?</b>	Yes
<b>Exempt/Confidential</b>	No		

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### **Purpose/Summary**

To inform Cabinet Members on the progress of the Coastal Communities Fund Submission to improve Southport Pier and Seafront.

To request approval for delegated authority be given to the Cabinet Member Regeneration and Skills to accept the offer of funding subject to a detailed analysis of the 'Offer Letter' by Officers.

### **Recommendation(s)**

- 1) Approval to proceed with a Stage 2 Application to the Coastal Communities Fund, subject to an invitation from the funding body following the Expression of Interest made by the Council in June 2016;
- 2) In respect of the application, and if invited to bid that delegated authority be given to Cabinet Member for Regeneration and Skills, whom would receive ongoing detailed reports from the project team, for the:
  - i) Submission of the full application and bid
  - ii) Acceptance of the offer if made
  - iii) Management of the capital and revenue funding

In accordance with the details and parameters set out within the Report.

**How does the decision contribute to the Council’s Corporate Objectives?**

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		x	
2	Jobs and Prosperity	x		
3	Environmental Sustainability		x	
4	Health and Well-Being	x		
5	Children and Young People		x	
6	Creating Safe Communities		x	
7	Creating Inclusive Communities		x	
8	Improving the Quality of Council Services and Strengthening Local Democracy		x	

**Reasons for the Recommendation:**

To submit a detailed funding application to improve Southport Pier and Seafront (all subject to an invitation to bid from the Coastal Communities Fund).

**Alternative Options Considered and Rejected:**

To withdraw the Expression of Interest submitted, i.e. not participate in the Coastal Communities funding programme 2016/19.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

Based on full implementation of the proposals, the total revenue cost is estimated at £100,000 over the next three financial years. Of this amount, £20,000 will be required from the Council’s revenue budget (Tourism). The remaining funding would be met from external sources – namely the Southport BID Company and the grant from the Coastal Communities Fund).

**(B) Capital Costs**

The estimated capital cost across the next three financial years would be £2,670,000 for which provision in the Capital Programme would be required. Of this amount £700,000 would be met from the ring-fenced Pier Sinking Fund with a further £30,000 from a Section106 contribution. The remainder of the capital funding would come from the Coastal Communities Fund. .

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Financial</b>	
Both capital and revenue budgets will be required to match to the external grant, these have been identified in the Table in paragraph 3.1 below.	
<b>Legal</b>	
<b>Human Resources</b>	
Project Management of the scheme will be met from existing resources.	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

### Impact of the Proposals on Service Delivery:

The award of Coastal Communities Funding (CCF) would complement the Southport Development Framework activity and the wider Visitor Economy work being undertaken in Southport.

The award of finance and subsequent improvements to the Pier and Seafront would contribute to improving visitor footfall and have a direct positive impact to Strategic Priorities 3, A great Place to Live, Work and Play, 4, Image and Environment, 5. Activities, Sociability and Hosting and 7, Right for Business, as set out and articulated in Sefton's Vision 2030.

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

The Head of Corporate Resources (FD.4320/16) notes from the report the potential to attract £2,000,000 external funding (capital and revenue) from the Coastal Communities Fund. If successful, this resource, supplemented primarily from £700,000 held in the Council's "Pier Sinking Fund" will enable necessary works and potential visitor improvements at the Resort attraction.

The Head of Regulation and Compliance (LD3603/16) has been consulted and any comments have been incorporated into the report.

### Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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### Background Papers:

None

## 1. Introduction/Background

1.1 The Coastal Communities Fund programme (CCF) which is managed by the Department for Communities and Local Government, is designed to support the economic development of coastal communities by promoting sustainable economic growth and jobs, so that people are better able to respond to the changing economic needs and opportunities of their area. It will look to fund activity in the following areas:

- Deliver economic diversification and innovation
- Support SMEs (infrastructure and incubation)
- Address seasonality/create new patterns of tourism
- Improvements to public spaces
- Integrated regeneration which includes addressing issues such as coastal erosion, flooding, bathing water quality

1.2 The programme will fund Capital or Revenue projects (staff and purchase/lease of buildings, land or equipment but not feasibility studies) that:

- Deliver economic growth opportunities
- Create Jobs
- Has strategic fit, locally and with Coastal Communities Fund objectives

1.3 The Fund launched a call for proposals in late May. The application process is comprised of 2 stages. The deadline for Stage 1 applications (Expressions of Interest) was midday on **30<sup>th</sup> June**. Successful applicants will be invited to submit a detailed Stage 2 application by November (date to be confirmed). Approved projects would be expected to commence April 2017 with funding to be spent by December 2019.

## 2. Sefton's Proposal

2.1 Officers explored a range of opportunities for this competitive funding stream. The need to meet the above criteria and given that CCF is the mostly like source of large scale capital funding for the coast, we believed that a strong capital led application was required. Funding rules meant that capital projects needed to be at RIBA Stage 4 (Technical Design), so this eliminated a number of potential ideas. Consequently, Southport Pier emerged as our strongest option. The Pier is in a poor physical condition and provides very limited facilities for the user. The Authority also has a ring-fenced sinking fund which we could use as match funding. Initial scoping discussions have been had with the Big Lottery and the Department for Communities and Local Government and the response from them has been positive.

2.2 At short notice a Stage 1 Expression of Interest application with Cabinet Member approval was prepared focusing on enhancing the Grade II listed Southport Pier (the oldest iron constructed pier in the country), to increase visitor appeal and contribute to the growth of the wider visitor economy.

If successful the funding would be targeted towards:

- Undertaking essential structural repairs to the Pier
- The creation of new units (retail/café etc.) on the Pier
- Remodelling the end pavilion/improve current offer
- New entrance and exit to the end of the Pier to allow access from the beach

- Maximising the Pier throughout the year with a focus on green tourism during the winter months
- Improvements to surrounding railings on Marine Lake
- Wrapped up by a comprehensive Welcome programme for visitors

2.3 If supported the project will deliver over £2.7 million Visitor economy improvements that will help steer Southport into a direction that can capture benefits that a growing visitor economy will bring. The project will create 8 direct jobs; this will consist of 3 Welcome Ambassador roles with the remaining jobs created by the additional concessions on the pier. The Welcome Ambassador roles will be created in April 2017 in time for the Open Golf Championship. Currently there are 20 people employed on the Pier, a mixture of full time and seasonal workers. The works to the Pier along with the remodelling will help safeguard these jobs for the foreseeable future.

### 3. Financial Implications

3.1 The Expression of Interest (Stage 1) application has estimated the total cost of this initiative to be £2,770,000 which is mostly capital expenditure. This figure includes a £2.00m request to the Coastal Community Fund. The balance of funding (£0.77m) would come from the ring-fenced Pier sinking Fund, Southport BID and Section 106 funding. The following table summarises the proposed funding based on full approval of the proposals

	Source	Amount (£)	Status
REVENUE	Coastal Communities Fund	60,000	Bid required
	Sefton (Tourism Revenue budget)	20,000	Funding in place
	Southport BID Company	20,000	Funding in place
Total Revenue		100,000	
CAPITAL	Coastal Communities Fund	1,940,000	Bid Required
	Sefton (Pier Sinking Fund)	700,000	Funding in place
	Section 106	30,000	In discussion
Total Capital		2,670,000	
Total Project Cost		2,770,000	

3.2 The financial risks associated with this proposal are the same as for any large scale capital project:

If the funding bid to CCF is unsuccessful then the project would not proceed.

If the bid is successful but we do not receive the full £2million, the proposal would be revisited with a view to considering a revised scheme.

If the grant figure is significantly less than £2million, it is unlikely that the project would proceed.

Should the project proceed the management and delivery of the scheme, including control of the budget, would be the responsibility of Sefton Council.

#### **4. Next Steps**

4.1 To progress the detailed Stage 2 Funding Application for submission in the autumn if invited following the Expression of Interest. Subject to approval, prepare a detailed programme and commercial strategy to deliver a revitalised pier including heritage, environmental and planning requirements and consultation and engagement with stakeholders.