

WIRRAL COUNCIL

CABINET – 15 MARCH 2012

SUBJECT:	SUPPORT FOR WIRRAL'S COASTAL RESORT TOWNS
WARD/S AFFECTED:	NEW BRIGHTON
REPORT OF:	ACTING DIRECTOR OF REGENERATION, HOUSING & PLANNING
RESPONSIBLE PORTFOLIO HOLDER:	REGENERATION AND PLANNING STRATEGY
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 Members at the Cabinet meeting on January 12, 2012 deferred a decision on this report for further discussions with the project applicant following a representation made to Cabinet by Councillor Glasman on behalf of the project applicants. This report updates Members on those further discussions held with the applicant for the grant (Wellington Rd Conservation Area Society) in respect of their *Tidal Pool* proposal.
- 1.2 This report summarises the outcome of the discussions and seeks Members views as to how they wish to proceed. It remains the view of Officers that the tidal pool project cannot be implemented at this time for the reasons that were set out in the last report. However, during the course of the further discussions with the applicant it has been requested by them that the grant money could be used to fund a feasibility study for the Tidal Pool project which would enable the current issues relating to the project to be fully investigated. The applicant has been advised that whilst funding a feasibility study is possible from the grant funding, it does not deliver a project at this time which will support the economic regeneration of New Brighton whereas the *Crows Nest* project will deliver something now for the grant funding.

2.0 RECOMMENDATION/S

- 2.1 Members are requested to consider the two options presented within the report and give their view as to which option they wish to support, in allocating the £10,650 of resources provide by Department of Communities and Local Government (DCLG) through its Coastal Town's initiative.

3.0 REASONS FOR RECOMMENDATION/S

- 3.1 At the meeting of Cabinet on 12 January 2012, Councillor Glasman tabled a response by the Wellington Rd Conservation Area Society to the key risks raised by Council Officers within the Cabinet report. A copy of this note is attached at Appendix 1

- 3.2 Mindful of the comments raised within this note, Members deferred a decision until the next meeting of Cabinet, to enable Officers to discuss these matters further with the applicant - [minute 258 refers]. Unfortunately it wasn't possible to bring the report to the next meeting, hence the slight delay in the report returning to Cabinet.
- 3.3 The meeting with the Wellington Rd Conservation Area Society was held on 19th January and a constructive discussion took place about the Tidal Pool project. Officers are still of the view that the Tidal Pool project involves significant risks for the Council and cannot proceed at this time due to financial, liability and health and safety concerns. However, it was suggested at the meeting that a feasibility study needed to be undertaken in relation to the project which would address in detail all of the areas of concern that had been raised. It should not be assumed that a feasibility study will remove all of the risks of this project, nor will it address issues such as the source for on-going revenue funding but it will have the effect of quantifying the risks and costs and this then may provide a basis for the project to be considered further, either by the Council or external funders. The applicant is asking Cabinet to consider funding this feasibility study

4.0 BACKGROUND AND KEY ISSUES

- 4.1 At the meeting of Cabinet on 14 April 2011 [minute 371 refers], Members agreed that those projects ranked the highest by the Wallasey and New Brighton Area Forum, be allocated a share of the £100,000 grant available to stimulate economic regeneration in New Brighton.
- 4.2 This report also highlighted [paragraph 5.5 refers] Officer's concerns at that time regarding one proposal in particular, *The Tidal Pool* project and that detailed discussions be held with the applicant, the Wellington Rd Conservation Area Society in a bid to resolve the risks identified in implementing the project. Members were further advised that in the event that the risks were prohibitive then the Wallasey Sea Cadets project, *Crow's Nest* as the next highest ranked project on the list of projects should be awarded the funds instead.

5.0 TIDAL POOL PROJECT

- 5.1 This *Tidal Pool* proposal proposes to bring back into use the tidal pool on New Brighton beach, at the bottom of Victoria Rd as a paddling pool. This would encompass the rebuilding of the existing walls that were damaged over forty years ago with the £10,650 grant award earmarked exclusively for this activity.
- 5.2 Officers have met with the applicant, the Wellington Rd Conservation Area Society on a number of occasions over the last six months and offered professional assistance in terms of the Council's concerns regarding the proposal. Essentially these concerns can be summarised as follows:
- The sum applied for is insufficient to cover all costs associated with the project as proposed;

- The specification proposed for the works is not sufficiently robust to meet the Council's requirements;
- There is additional uncertainty about the overall cost, because the sole estimate provided was from a contractor who is not on the Council's approved list;
- The project would leave the Council with a significant ongoing liability for maintaining the pool whether it operates for the whole year or only for several months of the year;
- To avoid accidents and protect the Council from legal liability, there would be a need to have an effective inspection regime in place. This would incur further ongoing costs.

5.3 Following the meeting of Cabinet on 12 January, Officers have held further detailed discussions with the applicant. The concerns previously identified by Officers were not changed by the meeting but it was discussed that if this project was to be considered further either by the Council or future external funders then a detailed feasibility study would be required. This study would need to include the following activities:

- A detailed structural inspection to determine the detailed condition of the tidal pool perimeter wall, dividing wall and ancillary structures;
- Investigate cost and recommend as necessary requirements for further investigative works such as core samples in order to confirm the water retaining properties of the existing structure;
- Production of an inspection report;
- Produce a schedule of remedial and / or reconstruction works required to bring the structure in to re-use, including arrangements to allow for draining of the pool;
- Costing of all elements identified in the repair schedule;
- Risk assessment of all Health and Safety issues around bringing the pool into re-use including identification of liabilities and issues which may affect scheme progression;
- Identification of all necessary licenses and permissions which would be required to undertake the works, giving an indication of the timescales and costs required to obtain these permissions;
- Identification of the Net Present Value of future maintenance costs over the next 100 years for the Tidal Pool using appropriate discount rates and following HM Treasury "Green Book" principles;
- Desk top analysis of potential funding sources.

5.4 To secure this feasibility study it will be necessary to produce a detailed brief. The applicant does not have the resources to fund this or the required expertise to undertake it. A request has been made by the applicant to the Director of Technical Services to undertake this work related to the brief, to help with the identification of potential consultants who could undertake this work and to assist the applicant with analysing the tenders once they have been submitted. These costs along with the cost of the feasibility study could be funded from the grant sum available. Based on similar commissions awarded by the Department of Technical Services, Officers believe that this could be achieved at a cost of approximately £6,000.

- 5.5 The Wellington Rd Conservation Area Society has expressed the aspiration that in time they may be able to access external funding to cover the capital costs of this project. However, at this time there are no identified sources of funding and if any do become available they are likely to be financial limitations and a very competitive environment in which to secure them. It is also unlikely that external grant funding will pay for on-going revenue costs for the project and this is likely to remain a financial challenge presented by this project which the Council may be asked to fund.
- 5.6 Members will be aware that the *Tidal Pool* proposal proved to be the most popular at the participatory budgeting event in New Brighton in March 2011 and there still appears to be strong community support for the proposal

6.0 CROWS NEST PROJECT

- 6.1 The Wallasey Sea Cadets project is seeking funding for internal building works to create an additional classroom in the current headquarters in St James Hall, Victoria Rd, New Brighton. At the time of their application in March 2011 a sum of £18,576 was sought. This was based on estimates provided by a local contractor who has since gone out of business. In the meantime however, they have now revisited the costs and been quoted estimates of circa £16,000 - £17,000 to undertake the works.
- 6.2 If Members were minded to allocate the £10,650 award to the *Crows Nest* project then this would leave a shortfall in funding for their project. However the Sea Cadets propose that this shortfall will be met through their reserves or fundraising activity during the year (typically this equates to £7,000 -£8,000 per annum). Alternatively they could look to deliver the project on a phased basis.

7.0 RELEVANT RISKS

- 7.1 Council Officers identified the risks in relation to the Tidal pool project in the previous report to Cabinet.
- 7.2 Following the meeting with the Wellington Rd Conservation Area Society on 19 January these risks have now been further investigated and it is the view of Officers that they remain the same. The feasibility study will enable the development of a specification for the works and better quantification of the risks. This of course, will be required if the project is to be considered further. However, the feasibility study will not guarantee the delivery of the project.
- 7.3 Whilst the applicant has indicated they would seek external funding from grant sources or sponsorship for the project, it is still the case that there are no identified funding sources for this project.
- 7.4 To avoid accidents and protect the Council from legal liability, there would be a need to have an effective inspection regime in place. The applicant has indicated that this risk could be mitigated in that a Friends Group could be formed to take on responsibility for the weekly inspection regime. However, at this time there is no Friends Group in place, although discussions may have

commenced on this and it is still not clear if such an arrangement when finalized would in fact meet the Council's stringent health and safety requirements.

- 7.5 Furthermore as the Council would have to maintain the facility in perpetuity, Officers have undertaken a detailed examination of all lifetime (100 year) maintenance costs. This includes a partial re-build after 10 years, penstock valve replacement after 20 years and a complete rebuild after 40 years. Using recognised Treasury guidelines, Officers believe that a sum of circa £350,000 would now need to be found by the Council to provide the necessary budget to undertake maintenance and inspections over the next 100 years. No budgetary provision currently exists for ongoing maintenance responsibilities.
- 7.6 To deliver the *Crows Nest* project, the Sea cadets will need to raise their own funding. Whilst this is a risk for the project, previous figures of their fund raising activity support the view that they can achieve this and that the project can be implemented as proposed. If the fund raising takes some time then it is possible for the project to be phased in terms of its implementation. This project though would not present any on-going liabilities for the Council.

8.0 OTHER OPTIONS CONSIDERED

- 8.1 Mindful of the issues and risks identified in this report in relation to both proposals, Members views are sought as to which of the following options they believe would present the most cost effective way of allocating the resources in question:

Option 1

That the resources be allocated to the Wellington Rd Conservation Area Society's *Tidal Pool* proposal and used as a contribution towards a feasibility study.

Option 2

That the resources identified be offered to Wallasey Sea Cadets for their *Crows Nest* proposal, on the understanding that the funding shortfall be met from their reserves and or fundraising activities.

9.0 CONSULTATION

- 9.1 The Participatory Budgeting approach taken to evaluate the proposals originally embodies community consultation, enabling neighbourhoods to play an active role in determining the targeting of the resources in question.
- 9.2 Through this process there was greatest community support for the *Tidal Pool* project. If Members are minded that the risks are too significant to continue with this proposal then the money can continue to be used for the benefit of the community in New Brighton, by awarding it to the Wallasey Sea Cadets' *Crows Nest* project instead.

10.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

10.1 Both projects referred to in the report are likely to impact on groups from the voluntary, community and faith sector, which will be able to access the improved facilities in New Brighton.

11.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

11.1 There are no staffing implications arising from this report. The initiative as a whole will continue to be managed by Officers from the Regeneration, Housing and Planning Department from existing resources.

11.2 However, if Members are minded to approve the feasibility study option and the request from the applicant for support from the Technical Services Department (as set out in paragraph 5.4 of this report) then a consultant will need to be engaged. The costs of the study and the consultant can be funded from the grant funding.

11.3 Given the “one off” nature of the Coastal Town’s resources in question, it will be made clear in the Funding Agreement with the successful applicant that there is no further guaranteed funding available from the Council to sustain the project beyond the grant awarded to it.

11.4 However if Members were mindful to support the *Tidal Pool* proposal then this would leave the Council exposed to ongoing revenue commitments for which budgetary provision will be required – see Section 7 above. The extent of such commitments would need to be the subject of a separate report to Members once the study and its finding were concluded.

12.0 LEGAL IMPLICATIONS

12.1 There are no immediate legal implications arising from this report. However if the Council were to proceed with the *Tidal Pool* proposal and the amenity formally adopted by the Council over time, then the authority could be exposed to future claims that it would have to contest through the courts.

13.0 EQUALITIES IMPLICATIONS

13.1 Implementation of successful project proposals is likely to bring about equal opportunities improvements and benefits.

13.2 An Equality Impact Assessment (EIA) was carried out in March 2010 in respect of the Area Forum’s funding process (‘You Decide’).

14.0 CARBON REDUCTION IMPLICATIONS

14.1 There are no direct carbon reduction implications arising from this report.

15.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

15.1 There are no immediate planning and community safety implications arising from this report. Planning consent for both of the proposals identified within

the report may be required and will be addressed as appropriate through the planning process.

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APPENDICES

There is one appendix attached to this report.

REFERENCE MATERIAL

Background papers and information used in the preparation of this report are held by the Regeneration Team within the Department of Regeneration, Housing and Planning.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – Support for Wirral’s Coastal Resort Towns	4 November 2010
Cabinet – Support for Wirral’s Coastal Resort Towns	14 April 2011
Cabinet – Support for Wirral’s Coastal Resort Towns	12 January 2012