

Additional Information Requested by Overview and Scrutiny Board

Capital Plan Budget Monitoring Report

The business case for the replacement and enhancement of the beach chalets at Oddicombe Beach and Confirmation of whether the work on the Oddicombe Beach Chalets has commenced prior to Council approval being given to increasing the Council's level of Prudential Borrowing

In August 2014 more than half of the 18 roof chalets were destroyed by a fire. The chalets were wooden in construction and as assets they were reaching the end of their design life. If the fire event had not happened a capital investment of some £63k was required, over 4 to 5 years, according to a condition survey undertaken by the TDA in August 2011. As a consequence, without the required upgrade in their condition, officers expected that occupancy levels would drop by three chalets per year. The immediate impact of the fire was a direct loss of chalet income, some £11k per year but there would be wider indirect losses from other tenants, a loss of amenity and damage to the Council's reputation. If the fire hadn't happened and future investment wasn't forthcoming, the income from the roof chalets would have disappeared within 7 years as occupancy levels reduced to zero. The building was an insured risk and the agreed claim is currently £58,550. A business plan spreadsheet was formulated (attached) with estimated rebuilding costs, the insurance settlement, additional borrowing costs and other data. Therefore, in early October 2014 the Mayor was consulted on a decision to demolish and rebuild the roof chalets in time for the 2015 summer season. This decision was considered to be urgent because construction needed to be completed by Easter 2015 to safeguard the ongoing income as well as the Council's reputation. Formal approval for the £134k of prudential borrowing was not sought at the time as the early funding of the project was sustained using the insurance settlement. Council is now being asked to amend the capital budget and thereby approve this additional borrowing.

The return costs associated with the works at the base of Princess Pier

Further works will be required to ensure the long term future of the pier, these include works to the concrete sea defence structure which acts as the base to the structure and repairs to the steel structure which sits on the base and holds the wooden decking. If these works are carried out in the future almost none of the proposed £250k expenditure would be wasted. Repairs to the concrete structure would be carried out from the sea and repairs to the steel would likely be carried out from underneath with only a small sections of the wooden decking removed and then re-used and replaced.