



To: Members of the Cabinet

Date: 7 January 2013

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Dear Councillor

You are invited to attend a meeting of the **CABINET** to be held at **10.00 am** on **TUESDAY, 15 JANUARY 2013** in **CONFERENCE ROOM 1A, COUNTY HALL, RUTHIN.**

Yours sincerely

G Williams
Head of Legal and Democratic Services

AGENDA

PART 1 - THE PRESS AND PUBLIC ARE INVITED TO ATTEND THIS PART OF THE MEETING

1 APOLOGIES

2 DECLARATION OF INTERESTS

Members to declare any personal or prejudicial interests in any business identified to be considered at this meeting.

3 URGENT MATTERS

Notice of items which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act 1972.

4 MINUTES (Pages 5 - 14)

To receive the minutes of the Cabinet meeting held on 18 December 2012 (copy enclosed).

5 RHYL COASTAL FACILITIES (Pages 15 - 92)

To consider a report by Councillor Hugh Evans, Leader and Lead Member for Economic Development (copy enclosed) seeking Cabinet's approval of proposals for Rhyl Coastal Facilities and urgent works to the Sky Tower.

6 DELIVERING DENBIGHSHIRE'S TOWN AND AREA PLANS (Pages 93 - 106)

To consider a joint report by Councillors Hugh Evans, Leader and Lead Member for Economic Development and Huw Jones, Lead Member for Tourism, Leisure and Youth (copy enclosed) seeking Cabinet's confirmation of the process for consolidating and expanding the Town Plans and approval of the initial allocation of funding for priorities identified in 2012/13 and 2013/14.

7 PENSION AUTO ENROLMENT (EMPLOYER RESPONSIBILITIES & COST IMPLICATIONS) (Pages 107 - 114)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance and Assets (copy enclosed) detailing the Council's proposed response to the requirements of the Pensions Act 2008, implementation options and recommendations that Cabinet is requested to approve.

8 2013/14 BUDGET (Pages 115 - 126)

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance and Assets (copy enclosed) detailing the budget proposals for 2013/14 and resulting increase in the level of Council Tax.

9 FINANCE REPORT

To consider a report by Councillor Julian Thompson-Hill, Lead Member for Finance and Assets (copy to follow) detailing the latest financial position and progress against the agreed budget strategy.

10 CABINET FORWARD WORK PROGRAMME (Pages 127 - 130)

To receive the enclosed Cabinet Forward Work Programme and note the contents.

PART 2 - CONFIDENTIAL ITEMS

EXCLUSION OF PRESS AND PUBLIC

It is recommended in accordance with Section 100A (4) of the Local Government Act 1972, that the Press and Public be excluded from the meeting during consideration of the following item of business because it is likely that exempt information as defined in paragraph 14 of Part 4 of Schedule 12A of the Act would be disclosed.

11 AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF MULTI FUNCTIONAL DEVICES (Pages 131 - 134)

To consider a confidential joint report by Councillors Barbara Smith, Lead Member for Modernising and Performance and Julian Thompson-Hill, Lead Member for Finance and Assets (copy enclosed) seeking Cabinet's approval to award the Multi Functional Device Framework to a named supplier.

MEMBERSHIP

Councillors

Hugh Evans
Julian Thompson-Hill
Eryl Williams
Bobby Feeley

Hugh Irving
Huw Jones
Barbara Smith
David Smith

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CABINET

Minutes of a meeting of the Cabinet held in Conference room 1a, County Hall, Ruthin on Tuesday, 18 December 2012 at 10.00 am.

PRESENT

Councillors Hugh Evans, Lead and Lead Member for Economic Development; Bobby Feeley, Lead Member for Social Care and Children's Services; Hugh Irving, Lead Member for Customers and Communities; Huw Jones, Lead Member for Tourism, Leisure and Youth; Barbara Smith, Lead Member for Modernising and Performance, David Smith, Lead Member for Public Realm, Julian Thompson-Hill, Lead Member for Finance and Assets, and Eryl Williams, Deputy Leader and Lead Member for Education

Observers: Councillors Ray Bartley, Meirick Davies, Richard Davies and Arwel Roberts

ALSO PRESENT

Chief Executive (MM); Corporate Directors: Economic and Community Ambition (RM), Customers (HW), Modernising and Wellbeing (SE); Head of Legal and Democratic Services (RGW); Head of Finance and Assets (PM); Head of Housing and Community Development (PMc); Project Manager (NR); Design and Construction Team Manager (SE), Strategic Procurement Manager (AS), and Committee Administrator (KEJ)

1 APOLOGIES

There were no apologies.

2 DECLARATION OF INTERESTS

No declaration of personal or prejudicial interest had been raised.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Cabinet meeting held on 20 November 2012 were submitted.

RESOLVED that the minutes of the meeting held on 20 November 2012 be approved as a correct record and signed by the Leader.

5 DELIVERING THE WELSH HOUSING QUALITY STANDARD

Councillor Hugh Irving presented the report updating Cabinet on progress in meeting the Welsh Housing Quality Standard (WHQS). Members were advised of the housing refurbishment programme for the Council's Housing Stock; the costs incurred for contracts 6, 7 and 8, and were provided with an overview of customer satisfaction and wider regeneration benefits from undertaking those works. The

Welsh Government had indicated that they were happy with progress to date and the estimated completion date for the programme was December 2013.

Members took the opportunity to raise questions with the Head of Housing and Community Development (H:H&CD) who responded as follows –

- initial feedback from the recent stock condition survey suggested costs could be contained within the original assumptions built into the Housing Stock Business Plan
- there would be greater flexibility in the future to maximise opportunities for local people and businesses in carrying out housing refurbishment works
- all properties would be brought up to the WHQS by 2013 apart from a low number of scheduled omissions involving tenants refusing access to undertake the necessary repair work
- highlighted the legal and contractual relationship between landlord and tenant in terms of property access
- confirmed that Denbighshire compared favourably with other authorities in terms of compliance with the WHQS.

Cabinet were pleased to note the council's success in delivering the WHQS and that the contracts had been used to support local sub contractors and supply chains within Denbighshire. The Leader also took the opportunity to congratulate the H:H&CD on his appointment to a Ministerial Task Force to advise on options to enable other Welsh authorities to achieve WHQS.

RESOLVED that the progress in delivering the Welsh Housing Quality Standard to the Council's rented housing stock be noted.

6 CONSULTATION ON THE SUPPORTING PEOPLE SPEND PLAN & CHANGES TO THE SUPPORTING PEOPLE STRATEGY FOR 2013 TO 2014

Councillor Bobby Feeley presented the report seeking Cabinet's agreement to changes to the Supporting People Strategy and Spend Plan for 2013 – 14 prior to plans being submitted to the Regional Collaborative Committee and the Welsh Government. Whilst the Welsh Government had requested a 3 year spend plan it was Denbighshire's intention to be clear at this stage about a 1 year plan and to state that more time was needed to develop proposals for future years. It was believed that other North Wales authorities would do the same.

Supporting People (SP) was a significant programme providing housing related support services to a wide range of vulnerable groups. Details of the changes to the administration of the SP programme had been provided together with the implications for Denbighshire and the substantial funding reductions with particular impact likely on adult social care services. The estimated reduction in SP grant over the next five years was approximately £1.5m. The Corporate Director: Modernising and Wellbeing (CD:MW) drew members' attention to the specific changes to the SP Strategy for 2013/14 as detailed in Appendix 1 to the report.

Cabinet considered the changes to the SP Strategy and the proposals to manage the reduction in grant funding. The CD:MW explained that the SP service provided

housing support and therefore did not form part of the Social Services budget. The Head of Finance and Assets elaborated upon the specific reserves which had been set aside to mitigate some of the reduction. In response to concerns expressed by the Leader regarding the lack of clear governance arrangements, the CD:MW advised that the Regional Collaborative Committee (RCC), accountable for decisions, had so far operated by consensus and therefore the clarity of governance arrangements had yet to be tested. Councillor Feeley added that the RCC had agreed to meet on a regular basis to provide clarity of purpose and consider how authorities would work together to deliver the programme.

RESOLVED that the changes to the Supporting People Strategy and Spend Plan for 2013-14 be agreed for submission to the Regional Collaborative Committee and the Welsh Government.

7 NATIONAL PROCUREMENT SERVICE

Councillor Julian Thompson-Hill presented the report seeking Cabinet's approval to join the proposed Welsh public sector National Procurement Service (NPS), subject to conditions, with an initial five year commitment. The business case to create a NPS had been completed and all public sector organisations in Wales had been invited to provide formal commitment to join the service. A copy of the letter and pro forma for completion had been attached to the report.

Members were provided with some background history to the creation of a NPS to undertake procurement for between 20% - 30% of the total spend across the public sector in Wales. Details of the level of spend; investment to establish the service; likely savings for local government, and the basis for commitment to the service had been provided within the report.

Whilst supporting the business case in principle, members stressed the importance of supporting the local economy and sought assurances that signing up to the NPS would not impact negatively on local businesses. Officers reiterated that the NPS would only account for approximately 20% - 30% of procurement spend covering specific categories suited to large national procurement which most authorities did not buy locally in any event. There was an opt out mechanism if the authority did not wish to participate in a particular contract because of local impacts or if the contract did not realise efficiencies for the authority and a case could be made on that basis. The NPS would also take into account the Welsh Procurement Policy and benefits to the local economy.

Other issues were also discussed with Councillor Thompson-Hill and the officers who responded as follows –

- following initial analysis efficiency savings for Denbighshire had been estimated between £250k - £750k
- framework agreements permitted the authority to withdraw from most current contracts without penalty to allow a smooth transition to new arrangements
- acknowledged there would be an element of tension to be addressed for some contracts with national and regional arrangements but the NPS would allow further opportunities to pursue savings

- as a national agreement was already in place for street lighting there would be no desire to duplicate that under the new arrangement
- commitment to the NPS was on the basis that the service would be centrally funded by Welsh Government for the first two years following which it was anticipated that it would be self funding
- membership of the NPS could be reconsidered in the future if it was not producing the desired savings for Denbighshire
- monitoring of the impact of the NPS should be possible from approximately six to twelve months.

The Chief Executive was an advocate of the NPS and highlighted the importance of monitoring to assess its effectiveness and benefits for Denbighshire. There was a high level of awareness in balancing support for local businesses and gaining efficiencies. Councillor Julian Thompson-Hill proposed the recommendation contained within the report and an amendment to replace 4.28 with 4.27 and it was –

RESOLVED that Cabinet support the National Procurement Service and Denbighshire's membership for a five year period subject to the conditions set out in 4.27 of the report.

8 FINANCE REPORT 2012/13

Councillor Julian Thompson-Hill presented the report detailing the latest financial position and progress against the agreed budget strategy. He provided a brief summary of the Council's financial position as follows –

- an under spend of £344k was forecast across service and corporate budgets with the forecast for schools being a positive movement on balances of £121k
- £2.673m (79%) of agreed savings had been achieved with £702k (21%) being progressed and £25k (1%) being deferred to next year
- highlighted key variances from budgets or savings targets and details of individual service budgets
- a general update on the Capital Plan and Housing Revenue Account.

Councillor Eryl Williams referred to the Modernising Education & Customer Care Budget and clarified that the £23k under spend related to the Customer Care element. As the data could be easily misconstrued he asked for greater clarity in future reporting of individual service areas. Councillor Williams also drew members' attention to the School Improvement & Inclusion Budget and reported upon the significant changes to the schools funding formula which had the support of the Schools Budget Forum. Partnerships Scrutiny Committee had also scrutinised and accepted the proposals. Councillor Arwel Roberts hoped that no schools would lose out over the new funding formula and Councillor Williams responded that schools had agreed the changes to the formula.

Cabinet and lay members took the opportunity to raise questions and discussed a number of issues as follows –

- Councillor Huw Jones highlighted the difficulty in interpreting budget data for major projects spanning multiple years and the Head of Finance and Assets agreed to provide greater clarity in future reports
- the departmental budget savings as a percentage of the 2010/11 net budgets had been included within the report (Appendix 3) at the request of the Leader which prompted a debate on past methodologies for allocating efficiency savings across the authority and the need for a different approach to tackle future efficiencies, and to manage the ringfencing and protection of particular budgets,
- the cost of responding to the flooding incident was currently being calculated and an application would be made to the Welsh Government in that regard. Funding from the contingency budget was currently being used and charges would not be levied on services involved. It was acknowledged that the impact of the flooding would be ongoing and much future support would be required and costs would be tracked
- Councillor Eryl Williams noted the growth in some service areas and reductions in others and sought assurances in that regard. The Chief Executive responded that the figures provided reassurance that savings had been made in the right areas and the growth and reduction in services areas was inevitable as the council's priorities changed. He highlighted the need for capacity to deliver the corporate plan and to manage major changes and projects resulting in the growth of both those areas
- the impact of changes to Council Tax had been discussed at the recent members' budget workshop and a lower yield had been assumed for future years and built into the Medium Term Financial Plan
- clarification was provided on the Supporting People reserve which had been built up from a deliberately planned under spend to be used in future years.

Following the discussion Councillor Julian Thompson-Hill moved the recommendation and it was –

RESOLVED that the latest financial position and progress against the agreed budget strategy be noted.

9 CABINET FORWARD WORK PROGRAMME

Councillor Hugh Evans presented the Cabinet Forward Work Programme for consideration. Councillor David Smith advised that a report on the Ruthin Schools Review would be submitted to Cabinet in May 2013.

RESOLVED that Cabinet's Forward Work Programme be noted.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 13, 14 and 15 of Part 4 of Schedule 12A of the Local Government Act 1972.

10 OCEAN PLAZA DEVELOPMENT, RHYL

Councillor Hugh Evans presented the confidential report seeking a decision from Cabinet regarding the grant of an option to acquire land at Quay Street and Westbourne Avenue, Rhyl. He highlighted changes made to the original report following a meeting with the named developer the previous week and drew members' attention to the options for consideration and subsequent implications.

The Head of Housing and Community Development (H:H&CD) detailed progress made to date in addressing the outstanding issues surrounding the complex development and responded to members' questions regarding the merit of granting the option as recommended. Councillor Hugh Irving sought assurances that granting the option would not result in the land being left derelict and the H:H&CD advised that the time limited clause would help address that issue and had been agreed with the developer. Cabinet were also advised that the Rhyl Area Members Group had been given a high level overview of options and supported the recommendations on the way forward.

RESOLVED that Cabinet –

- (a) *provide the option to the developer named within the report to acquire the freehold interest for the identified sites for a time limited period of 18 months to enable the developer to submit a new planning application within 6 months of granting the option and to secure occupier commitment to the development within the remainder of the time limited period;*
- (b) *approve the appointment of the District Valuer to obtain a valuation of the site or parts of it fully reflecting all current and future planning and physical constraints, and*
- (c) *that the Corporate Director for Economic and Community Ambition be provided with delegated authority to develop key milestones with the named developer to review progress in progressing the scheme which shall be reported back to Cabinet on a six monthly basis.*

11 GAS SERVICING COUNCIL HOUSING STOCK

Councillor Hugh Irving presented the confidential report seeking Cabinet's approval to award a new gas servicing, repair and maintenance contract for the Council Housing Stock. A detailed report from the specialist consultants had been appended to the report.

In order to procure a high specification contract a consultant had been commissioned. Details of the consultancy project had been provided within the report which included the development of the specification; contract tendering and tender evaluation. The key differentiating factors which had secured first place for the preferred contractor had also been highlighted.

Members considered the report with particular attention to the tender evaluation and outcomes and were pleased to note the involvement of tenants in the selection process demonstrating value for money and customer satisfaction. Councillor Huw

Jones referred to an email from Councillor Martyn Holland regarding gas suppliers and the Head of Housing and Community Development (H:H&CD) confirmed that the matter was being addressed directly with Councillor Holland outside of the meeting. In response to questions from Councillor Meirick Lloyd Davies regarding Welsh language issues, the H:H&CD advised that local sub contractors would be commissioned to carry out the work which would form the next stage of the process.

RESOLVED that the three year (plus two) contract for the service, maintenance and repair of Denbighshire County Council's gas heating systems be awarded to the preferred contractor as detailed within the report.

12 CONSTRUCTION PROCUREMENT NORTH WALES: PROCUREMENT STRATEGY

Councillor Julian Thompson-Hill presented the confidential report (previously circulated) seeking Cabinet's approval to proceed with the procurement project to implementation stage and set up a framework for construction projects for the North Wales region. It was a condition of the 21st Century Schools funding that authorities sign up to that approach to enable them to draw down grant funding.

The aim was to set up a regional framework agreement for major construction works over the Official Journal of European Union threshold for construction works (valued over £4.35m) and to improve current construction procurement practices for projects valued below that threshold. Councillor Thompson-Hill elaborated upon the project detail, operational aspects and involvement of other public sector agencies together with the timescale for implementation. He highlighted that the framework aimed to maximise the benefits of the projects to the local community and sustain economic development and elaborated upon key considerations sought through a community benefits plan submitted by contractors. Cabinet was pleased to note the benefits to the local community and the extensive consultation undertaken with the local construction industry in order to inform the strategy and maximise opportunities for local businesses.

Councillor Thompson-Hill took the opportunity to thank Nina Ruddle, Project Manager and Sion Evans, Design and Construction Team Manager for their hard work on the project and it was –

RESOLVED that the project be approved to proceed to implementation stage to set up a framework for projects over £4.35m and improve current construction procurement practices below that level across the region.

13 CROSS-BOUNDARY SUPPORTED LODGINGS AND NIGHTSTOP

Councillor Bobby Feeley presented the confidential report (previously circulated) seeking Cabinet's approval of the joint commissioning with Flintshire County Council of a cross boundary Supported Lodgings and Nightstop service in order to improve value for money.

Councillor Feeley elaborated upon the Supported Lodgings project and the Nightstop emergency accommodation project for homeless young people and provided further details regarding the proposed joint procurement arrangements between Denbighshire and Flintshire. The reasoning behind the recommendation to exempt the joint contract from the requirement to tender was also provided. She highlighted that the project to place vulnerable young people with families to support them was a Denbighshire innovation which had also been adopted by Flintshire. Cabinet supported the approach which provided extra support for young people being placed into emergency accommodation and it was –

RESOLVED that Cabinet –

- (a) *approves the extension of the current contract with Local Solutions for the Denbighshire Supported Lodgings service until 31 March 2013 to allow time to pursue the joint commissioning of this service with Flintshire County Council;*
- (b) *approves the establishment of a joint procurement arrangement between Denbighshire and Flintshire County Councils to commission a cross-boundary Supported Lodgings & Nightstop service;*
- (c) *exempts the joint contract for the cross-boundary Supported Lodgings & Nightstop service from the requirement to tender, and*
- (d) *awards the contract for this service to Local Solutions, the current provider of the Denbighshire Supported Lodgings service.*

14 SERVICE STRUCTURES: HIGHWAYS AND INFRASTRUCTURE SERVICE

Councillor David Smith presented the confidential report (previously circulated) seeking Cabinet's approval on the preferred option for the future of the Highways and Infrastructure service in both Conwy and Denbighshire. The report had been produced in response to Cabinet's resolution on 23 October that further opportunities be looked at in order to rationalise management, reduce cost and improve services.

Members' attention was drawn to the review of available options which had been detailed within the report and scored against benefits criteria. The recommendations contained within the report had been based on those findings. Councillor Smith advised that the report had been scrutinised by the Partnerships Scrutiny Committee and he read out their findings which had been referenced within the report.

During consideration of the report members reiterated their disappointment that full integration had not been possible in this case but accepted that collaboration would proceed on a lesser scale. It was acknowledged that lessons had been learnt from the process which would enable more effective collaboration in the future. The Chief Executive added that Cabinet had signed up to two very important collaborations during today's meeting and there were other significant collaborations being undertaken. With regard Highways & Infrastructure the

recommended option would lead to an improved service and efficiency savings and the Chief Executive elaborated upon the indicative structure and implications for Denbighshire.

Councillor David Smith took the opportunity to thank Danielle Edwards, Conwy County Borough Council for her hard work and it was –

RESOLVED that approval be granted to –

- (a) *proceed with the development of Option 2b – ‘DCC internal integration with some collaboration at service specific level’;*
- (b) *proceed with the appointment process for a ‘Head of Highways & Environmental Services’ for Denbighshire County Council, and*
- (c) *to formally consult with stakeholders on the indicative structure for Option 2b.*

Prior to the close of the meeting Councillor Eryl Williams took the opportunity to congratulate the Council’s Education Department on Denbighshire being ranked as the best performing Council in Wales for pupils at Key Stage 4 achieving the Level 2 threshold. He also highlighted the excellent school banding results for Denbighshire with all secondary schools having seen their bandings improved or maintained.

The meeting concluded at 12.50 p.m.

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Report To: Cabinet

Date of Meeting: 15th January 2013

Lead Member / Officer: Cllr Hugh Evans

Report Author: Tom Booty, Rhyl Going Forward Programme Manager
Jamie Groves, Head of Communication, Marketing & Leisure

Title: Rhyl Coastal Facilities

1. What is the report about?

This report presents an overall concept to address the options and way forward for Rhyl Coastal Facilities embracing the future Aquatic offer, the Sun Centre, the Sky Tower, Pavilion Theatre and Children's Village. In light of the options and way forward in Rhyl, the report also makes initial recommendations for the future of the Nova Centre, Prestatyn. Finally the report singles out the need to separately and immediately address capital works necessary to safeguard the safety of the Sky Tower.

2. What is the reason for making this report?

The proposals in this report are a key element of the Rhyl Going Forward programme and if taken through to realisation will represent a significant upgrade of existing leisure/tourism facilities, create new jobs and stimulate further private sector investment in the town. The proposals will also address some long-standing concerns and aspirations including:

- The ongoing maintenance requirements for the Sun Centre building and its suitability as an attraction in the 21st Century;
- The desire to create a new aquatic offer to replace the Sun Centre;
- Securing a positive future for the Rhyl Pavilion Theatre;
- Securing a positive future for the Sky Tower.

3. What are the recommendations?

Recommendation 1: To approve the proposed projects in principle and the Stage 2 development of a business case/justification and Stage 2 fees of up to £30,000 to:

- Progress the design development and feasibility study for the new aquatic centre in the proposed location adjacent to the existing paddling pool;
- Incorporate the sustainability of the Sky Tower structure into these plans and develop proposals for its future use/enhancement;
- Acknowledge the principle of the existing Sun Centre structure being demolished leading to the development of designs and feasibility for improvements to the Pavilion Theatre;
- Agree to develop the whole package (as one project) to a detailed business case;

- Appoint Alliance Leisure Ltd under the terms of the existing framework agreement to assist with the development of the project. (Costs of up to £40k have been saved to date by using the Alliance framework.);
- Ensure that the approach is progressed in conjunction with the wider RGF plans and to ensure the project's impact on those plans;
- Establish a Project Board to monitor and direct progress.

Recommendation 2: To approve urgent works to the Sky Tower to reduce existing health and safety risks and make the structure safe – up to a budget ceiling of £35,000. *(NB if Council does not progress to Stage 2 as recommended above, the Sky Tower safety works will still be required)*

4. Report details

4.1 What has been done so far to inform this report - Initial feasibility work to develop design options?

To establish the feasibility of different proposals and their locations, site visits and initial studies have been undertaken by the Council's Development Partner, Alliance Leisure, utilising consultants for structural reviews and design work.

4.2 Further background – the Hyder Review

Members will be aware that over the last 2 years there have been a number of different reviews, the principal report being the 2010 Hyder Rhyl Attraction Study.

All of the reports have been consistent in recognising that The Sun Centre building has reached the end of its beneficial life and the creation of a new flagship aquatic leisure offer for both visitor and community could play a vital part in the overall regeneration of the coastal belt.

However, since the Hyder report there have been a number of changes:

- There has been a significant downturn in the availability of public funding and the original scheme envisaged in the Hyder report is no longer viable. (Sun Centre replacement capital cost - £17.4m and Pavilion redevelopment - £11.4m).
- The Council has appointed Alliance Leisure Ltd as a 'Development Partner' committed to help develop and fund the new scheme. However the focus of any investment will be firmly on what is considered appropriate and affordable.
- The Rhyl Going Forward Delivery Plan has been developed and this is now the 'driver' for the regeneration of the whole coastal front. The vision is to deliver complementary facilities that add value to, and enhance, the commercial appeal of the economic development plan – projects should not be developed in isolation. This is very much the ethos of the collaborative approach adopted between Leisure and Regeneration.

4.3 The future aquatic leisure offer - location

A number of locational options have been considered and based on this analysis, the preferred site is adjacent to the existing paddling pool and Sky Tower. The location offers a number of advantages including:

- Lower costs (for technical reasons) than other locations;
- Minimal requirement for the relocation of tenants or existing uses;
- Fits with the RGF strategy for creating an 'Entertainment Zone' in that location;
- Creates a new destination and attracts footfalls close to the Town Centre;
- Creates the stimulus for further private sector investment in the Children's Village (restaurants) and on the West Parade block opposite;
- Creates an opportunity to incorporate the operation of the children's paddling pool and Sky Tower into the wider aquatic offer. This will embrace consideration of improved access arrangements and opening hours.

As a consequence of the development proposals in this report, the potential for further private sector investment will be fully explored in stage 2 of the action plan summarised in paragraph 4.12.

4.4 The future aquatic leisure offer – design brief

There is a need to determine the content of the new aquatic leisure offer to inform the design brief and business case feasibility. It needs to be a unique iconic facility, a statement significantly adding to Rhyl regeneration and attracting new business.

The general requirements for the new facility - a replacement Sun Centre, including both leisure and more formal waters together with health, fitness, catering and retail outlets are set out in **APPENDIX E**.

Alliance Leisure has commissioned the preparation of sketch plans and visual images for the design of the Aquatic centre along with indicative costs are set out in **APPENDIX C**.

4.5 Future Options for the Sun Centre

Two options have been considered as part of the initial feasibility, however the recommended option as a result of the appraisal is to demolish the structure and subsequently landscape the site with pathway links from the existing car park to the Theatre or seek to attract a hotel development or develop new car parking.

By removing the Aquatic Centre from the current location adjoining the Pavilion, there will be a number of benefits:

- Conflicts – noise, smell, image - will be removed;
- The Pavilion can be remodelled to stand-out as a unique landmark with a 'sense of place' and independent image leading to PR benefits;
- The Pavilion can be managed more efficiently – e.g. savings in heating and lighting services;
- The released land could make way for future developments more complementary to The Pavilion i.e. a hotel;
- Its retention would detract from the new town centre offer and would restrict scope for improvements to enhance the image of The Pavilion.

4.6 The Pavilion Theatre

The Pavilion Theatre demands a high level of annual public subsidy. Without The Sun Centre it is possible to create more of a unique statement and with improvements to the

management and ticketing and the development of new conference/business markets would undoubtedly lead to commercial improvements.

Attached is a summary feasibility report **APPENDIX B** as well as sketch plans and visual images for improvements to the Pavilion Theatre along with indicative costs – **APPENDIX C**.

The recommended remodelled Pavilion includes:

- A new entrance and façade;
- A better configuration of internal space to increase; commercial viability and conference options;
- Modernising the front of house customer service facilities.

4.7 The future of Rhyl Leisure Centre

The financial plans and business modelling for the proposed new Aquatic and Fitness Offer assumes the closure of the existing Leisure Centre Pool.

The Pool is 30 years old and will be nearing the end of its structural life and the future of the building should be determined by the development of the new aquatic and leisure offer. Any future works on the existing Leisure Centre should:

- Be considered in context with the new School – taking account of the current plans in respect of sport/PE/halls/drama/physical activity spaces on the new campus – to complement and secure the most cost effective whole site solution;
- Be designed to not compete with the commercial viability of the new Aquatic and Fitness Offer but to serve School/College and local sport's needs.

4.8 The wider Rhyl Going Forward Plan and other considerations

The Council will need to give further consideration to:

- Where/how to relocate the skate park to facilitate the new wet leisure offer;
- Options for the development of a new hotel either in place of The Sun Centre or the other side of the Theatre, which could potentially raise a capital receipt to help fund the programme;
- How to improve the underground car park, particularly the concept of creating a new vehicle access at the point where the facilities are to be developed rather than the other end of the park;
- Investment in Crescent Road as a car park rather than for redevelopment to compensate for loss of parking by the Sky Tower coupled with increased demand for parking in the area following the creation of new facilities.

To maximise the vision and potential for the Rhyl Coastal Front there is a case for a more fit for purpose, overarching operational management approach to the leisure offer supported by Rhyl Going Forward – a coordinated approach between Leisure and Regeneration has already proved a successful basis for this feasibility project.

4.9. The Nova

Further consideration needs to be given to the options for The Nova – a clear and distinctive/complementary purpose and rationale informing the design of the future offer. This should be subject of a specific review in Stage 2 of the Project Plan reporting in March 2013.

An initial review of the facility by Alliance Leisure led to the conclusion that the facility is generally 'tired' and dated but there is scope to convert some of the facilities to satisfy a local Prestatyn market.

However, The Nova should not be redeveloped in any way that undermines the commercial success of the new Rhyl Front and aquatic offer.

4.10 The Sky Tower

Currently the Sky Tower can no longer operate as a ride for health and safety reasons. Whilst its future is now a key consideration, some urgent works are required to make the structure safe. Undertaking this work would ensure the structure remains intact however means that the Tower would be extremely unlikely to revert to its former use as an observation tower, but would not preclude future alternative uses. It is estimated that the costs of these urgent works would not exceed £35,000 and consists of:

- Removal of Gondola and some loose associated fatigued metal. £10k.
- Stabilizing works with metal saddles over existing base stabilizing arms. £12k.
- Removal of lifting cables from within the sky tower £13K.

The tower is also used as a platform for mobile phone antennae. This space is rented out to a number of companies who have indicated they would be prepared to contribute towards these works which, if secured, will reduce the cost to the Council. There is also scope to increase the rental charges to these companies once the work is complete.

With regard to the future of The Sky Tower, a recent options paper **APPENDIX D** favours the retention of the Tower as a landmark facility. Consideration should to be given to its future uses so it can be developed as a visual attraction. **APPENDIX C**. This should also include how The Sky Tower with a new use can be incorporated into the thinking of the new aquatic building in terms of finance, management and operation.

4.11 Future Operating Models

Initial discussions have been taking place with regard to an exit strategy for the Trust in Rhyl allowing a greater focus on The Nova. This DCC/Trust partnership will evolve into a new 'shadow board' to oversee the necessary changes. During the Stage 3 development phase of the project, further consideration will be given to operating options i.e. in house; Trust; Private Partner.

4.12 Delivery Programme

A more detailed programme for the delivery of the individual stages is attached **APPENDIX G**. However this has been summarised on the following page.

Stages	Actions	Timescales	Costs	Cost Exposure
Stage 1 Completed	<u>Initial Feasibility</u> Approval to proceed to Stage 2 sought from Cabinet	October – December 2012	JS £3500 AL £15,000 Total Cost - £18,500	£3,500
Stage 2 For Approval by Cabinet January 2013	<u>Business Case and Justification</u> Confirm Design Brief Detailed review leading to a decision to proceed to planning application or abort. <ul style="list-style-type: none"> Assessment of business case Evaluation of estimated building costs Consideration of development risks Assessment of funding potential: external, 'internal' and commercial Stage 2 Council Decisions to proceed to detailed design up to planning an delivery	January – March 2013 April 2013	Car park and public realm design £25,000 Other costs business and development plans, design brief and all appraisals/evaluations - up to £20,000 Geotechnical report and flood risk assessment up to £10,000 Total Cost - £30,000 (£55,000 - less external grant £25,000)	£30,000 <i>(N.B. £25K of additional funding is expected from Welsh Government towards feasibility and design for Crescent Road Car Park improvement and concept design to create quality public realm between the proposed Aquatic Centre and Children's Village and improvement/new entrance to underground car park)</i>
Stage 3 N.B. Cabinet decision to proceed to this stage will only be sought on satisfactory conclusion of Stage 2	<u>Detailed Design up to Delivery</u> Subject to a positive review of the business case and risk assessment the developments will be prepared for consideration by Planning. Stage 3 Key Decisions– Funding Decisions Council Decisions to proceed to Planning and beyond Planning Decision	April – September 2013 September December/ January 2013	Development plans and design development £8,000 (Just Solutions) Design costs up to £450,000 (Alliance) N.B. Under the terms of the Alliance Leisure framework agreement Alliance will be responsible for the up-front costs, recovering them by way of the financial agreement on completion of the building. Total Cost £458,000	In the event that the project does not proceed then DCC will be liable for any costs incurred.

Stage 4	Delivery 1. Construction of new Aquatic Centre 2. Re-design and creation of re-formed Sky Tower 3. Demolition of Sun Centre 4. Improvements to The Pavilion 5. Improvements to Public Realm and car parks 6. Improvements to The Nova (to be determined following stage 2 review)	2014/2015	£15,000,000 - £18,000,000 Indicative estimates	
Stage 5	Opening and Operation	2015/2016		

4.13 Project management

The next stage of the project will be jointly led by the Rhyl Going Forward Manager and the Head of Communication, Marketing and Leisure supported by Project Consultants and Alliance Leisure. Progress of the project will be monitored through the processes and documentation associated with Denbighshire's Project Management Methodology.

4.14 Governance arrangements

A Project Board will be established with appropriate membership from senior management, cabinet and local representation.

4.15 Conclusion

This is a key project to stimulate the regeneration of the coastal front and is expected to be the catalyst for the transformation of the seaside and town centre as well as regenerating the leisure offer for both Rhyl and Prestatyn. However, it is important for the success of the project that the complete suite of leisure projects is taken forward bringing a complex set of issues to manage which should be taken forward and brought forward for decisions in distinctive, manageable stages.

5. How does the decision contribute to the Corporate Priorities?

Priority – Developing the Local Economy

The coastal facilities will be a location for existing and new jobs. The proposals will also create a much more positive image of Rhyl, boost private sector confidence and investment creating new job and business opportunities.

Priority – Modernising the Council to deliver efficiencies and improve services for our customers

This proposal will modernise key elements of the Council's leisure property portfolio and provide new or significantly refurbished buildings which will lower the current operational and management costs.

6. What will it cost and how will it affect other services?

As outlined in section 4.10 the costs of urgent works associated with The Sky Tower are estimated not to exceed £35,000 and will need to be progressed regardless of whether Council decides to proceed to Stage 2.

With regard to the wider costal facilities proposals, at this stage Cabinet is being asked for in principle approval and support to progress the development and analysis of the business case to the next stage at a cost of up to £30,000 (as summarised in the table in section 4.12)

Costs associated with future phases are also outlined in section 4.12 . Ultimately, if each stage is successfully progressed and approved by Council, the proposals around the Coastal facilities would see an investment estimated to be in the region of £15 to £18 million (see **APPENDIX H** for further details).

7. What consultations have been carried out?

The proposals presented in this report have been the subject of a number of former reviews and consultations with members. More recently the concept has been discussed by CET, followed by Cabinet briefing and a presentation to the Rhyl Member Area Group. Future consultation will include - the RGF Programme Board and Asset Management Group.

8. Chief Finance Officer Statement

This is clearly a significant capital project. The Council has already committed itself to significant capital investment in its assets as part of its capital plan. Any borrowing proposed would need to be seen in this context.

However, given the potential regeneration impact this project would have on Rhyl it would seem that investment in a more fully developed business case is a reasonable step to take. The Finance Department would need to be closely involved in its development.

The works to the Skytower could be funded from the capital plan contingency fund. The business case costs could be funded from the capacity for change fund.

9. What risks are there and is there anything we can do to reduce them?

The financial exposure of the Council will be managed by the division of the project into the 5 key stages detailed in section 4.12 with Cabinet approval required to progress at the end of each stage.

If Cabinet approves progression to stage 2, the financial exposure will be:

- **Up to £35k on essential Health and Safety works to The Sky Tower which will not be recovered and need to be progressed regardless of any other developments;**

- **Up to £30k on developing the business case.**

Other risks include:

- The possibility of closure of The Sun Centre prior to the new Aquatic facility being operational – ideally Council would seek to provide continuity of service but a major maintenance requirement at The Sun centre may lead to an enforced closure decision;
- Raised and frustrated expectations – mitigation measures: clear communication and consultation and a staged approach;
- Lost opportunities to tap into regeneration funding and negative impact on image, commercial interest and visitor attendances.

In the event that it is not possible to proceed with the new aquatic offer the best fall-back option would be the use of the Nova as the adventure offer and leisure waters with further short term enhancements and the retention of Rhyl LC Pool as a 'learn to swim' and training facility – recognising its strength as a traditional swimming pool.

In such an event, dry-side redevelopment options could include the redevelopment of existing spaces for a new fitness offer at an estimated cost of £900k.

10. Power to make the Decision

Section 2 Local Government Act 2000

Section 111 Local Government Act 1972

APPENDICES

APPENDIX A - KEY PRINCIPLES ESTABLISHED IN OCTOBER REPORT TO CET

**APPENDIX B - RHYL PAVILION – EXECUTIVE SUMMARY OF A PROJECT
FEASIBILITY ANALYSIS FOR ALLIANCE LEISURE (MARCH 2012)**

**APPENDIX C – ALLIANCE LEISURE DEVELOPMENT PROPOSALS FOR THE
REGENERATION OF RHYL - DESIGN VISUALS, SKETCH PLANS AND INDICATIVE
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APPENDIX D – SKY TOWER OPTIONS APPRAISAL

**APPENDIX E – RECOMMENDED BRIEF FOR A NEW ‘COMMERCIAL’ AQUATIC,
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RHYL COASTAL FRONT NEW AQUATIC CENTRE AND PAVILION NEXT STEPS

KEY PRINCIPLES ESTABLISHED IN OCTOBER REPORT TO CET

Key Factors

- the Sun Centre has reached the end of its beneficial life and does not meet current day requirements and standards.
- the commitment recently to replace the roof, was only an interim measure
- Members do not wish to close the Pavilion Theatre and there is a need to:
 - explore the options for maintaining the Theatre after the closure of The Sun Centre;
 - sustain the M&E services which are housed in The Sun Centre - but could themselves be nearing the end of their functional life (subsequently confirmed as being housed within The Pavilion);
 - improve the use of The Pavilion so as to reduce its high annual subsidy - a recent feasibility study has provided some options for improving The Pavilion's performance.
- the future development of the major Leisure projects are key contributors to the Strategic Regeneration Framework for Rhyl and its objective to strengthen the Tourism and Leisure Offer – 'building on Rhyl's reputation as a family resort by providing appropriate facilities and activities to sustain and grow this market.'
- the creation of a new flagship aquatic leisure offer for both visitor and local community could play a vital part in the overall regeneration of the coastal belt.
- no upgrade of the seafront can be effectively achieved without a plan for a new aquatic zone, 'commercially' managed (potentially by the Local Authority under a new regime) and possibly embracing beach sports; the events arena; health and fitness zones; cafés/restaurants, a leisure retail mix and related activities.
- the overall success of the strategy for the regeneration of Rhyl will also rely on the restoration of a vibrant Town Centre including the Town Hall; the re-modelling of the West Promenade through to the Foryd Harbour - a maritime and outdoor adventure activity zone embracing Marine Lake/Marsh Tracks underpinned by a new Cycling Strategy; and in between, and beyond The Pavilion - cleaning up and 'restoring' the seafront as an attractive promenade with appropriate attractions.

Key Drivers for Action

- The Sun Centre - not only is the standard of the leisure offer very poor, there are major concerns about the building condition and in particular the remaining period of its structural integrity. All this is having an adverse effect on the visitor experience and attendances are in decline.
- Clwyd Leisure - has consistently failed to maintain The Sun Centre to an acceptable level or maximise its potential and impact. Its operation is subsidised by the Council on a downward sliding scale in an attempt to drive efficiencies (still under discussion).

Future reinvestment finance models cannot be pursued where there is no control over performance and there is a risk of the Council being exposed to pay back clauses.

Furthermore there have been ongoing concerns over maintenance, profitability,

pension fund management and the lack of working capital held by Clwyd Leisure. All of this suggests that the proposed annual reduction in funding from the Council will place the Trust at risk of insolvency.

- The Pavilion Theatre - a recent feasibility analysis recognises the extensive core events and entertainment business of The Pavilion and that the facility is recognised by the Arts Council of Wales as a regional venue and the Theatre has strong local support as well as across the region to Cheshire and beyond.

However the feasibility report highlights a potential area of conference and banqueting business growth - 62% of that market is now non-residential so dependence on a quality hotel infrastructure is not an issue.

The Pavilion has a good sized daily conference space - a 1000 seat theatre and break out areas, free adjacent parking and reasonable rates. The first floor space could particularly suit non theatre based events for up to 400 delegates.

Improvements to the venue have been recommended (entrance/facade; reception; upgraded toilets; redesigned and automated box office; signage; first floor bar and room hire improvements); along with a good customer service; catering partner; and marketing and signage could create a quality sub regional destination with a number of unique selling points for conferences and events attracting new activities and increased footfall and income.

The current non theatre income is only £10k pa. The proposed improvements are expected to generate a marginal operating surplus from that side of the business of £50k which although not great, if capitalised would allow a £350,000 capital development if the term was over 10 years.

Key Principles Underpinning Future Development Decisions

Building on the recommendations emerging out of the previous reviews there are a number of principles which it is recommended should inform future decisions.

1. **Complementary not competing attractions** – it is important not to compete with neighbouring areas or adjacent facilities. Denbighshire should therefore create a unique image and appeal for Rhyl as a tourist destination. This will mean avoiding the duplication of the extreme sport and ice leisure attractions at Deeside; the hotel and theatre market in Llandudno; as well as managing local facilities such as the Nova in a way that is complementary to any new development. **N.B.** Future plans for Prestatyn should be considered separately but at the same time delivering a related and bespoke solution that complements the developments in Rhyl.
2. **Operational savings should be achieved by bringing together the management of services in-house** creating a better value for money service delivery option.
3. The **facility models** should be designed **to create the most financially sustainable operation – not competing offers**. In particular the new aquatic centre should include the most commercially viable and complementary attractions to offset the ongoing, and potentially high cost of managing a swimming pool.
4. The **future plans for maintaining The Pavilion should be driven by a need to reduce the costs of the existing facility in the most effective and complementary way** - recognising that into the future the operation may need to be reviewed when much of the supporting infrastructure approaches the end of its

beneficial life.

It is anticipated that **any associated facility developments should have no more than a 10 year design life to take account of the age of the structure.** The nature of the adjoining visitor attraction should also be designed in such a way that it is complementary to the performing arts venue.

5. **Future plans need to embrace the re-development of the School and intended closure of Rhyl Leisure Centre Pool**, including the potential to make best use of the 'old pool hall' for the visual and performing arts - large space creative and performance areas (links with Rhyl 6th and Coleg Llandrillo).

It is on the basis of these principles, that the 'next step' actions to test the options for the way forward are set out below.

Summary Reasons for Action:

- To support the economic regeneration and significant uplift of Rhyl as a visitor destination;
- To rationalise the current leisure stock;
- The Sun Centre has reached the end of its beneficial life and its obvious decline will undoubtedly hold back the economic redevelopment of Rhyl – it cannot be considered as a positive leisure attraction experience;
- The Pavilion is costing the Council too much money and future investment proposals together with management changes will be required to address this issue;
- For a number of reasons Clwyd Leisure is not a viable management option for the future - the facilities need to be brought under a single management structure and significantly rationalised;
- The proposed redevelopment of Rhyl High School demands a change in the leisure offer for the Town.
- To utilise an agreed leisure investment framework as a part of the proposed improvement solution.

Summary of the Key Issues to be Addressed

Rhyl Sun Centre

The Sun Centre is an immediate risk and concern. Not only is the standard of the leisure offer very poor, there are major concerns about the building condition and in particular the remaining period of its structural integrity - the roof has recently been repaired but this is only a short term solution. Overall the poor quality of the facility is having an adverse effect on the visitor experience (ref Trip Adviser comments) and attendances are in decline.

Clwyd Leisure

The Trust (managing The Sun, Nova and Indoor Bowls Centres as well as the Sky Tower, before it was closed) has consistently failed to maintain the Sun Centre to an acceptable level or maximise its potential and impact. This being despite numerous reviews and interventions by the Council. Its operation is subsidised by the Council on a downward sliding scale – currently under discussion (£266k in 2011; £216k in 2012; £166k in 2013; £106k in 2014), in an attempt to drive efficiencies.

However, in return for this level of investment, the Council lacks any control over quality. Furthermore, future reinvestment finance models cannot be pursued where there is no control over performance and there is a risk of the Council being exposed to pay back

clauses.

There have been ongoing concerns over maintenance, profitability, pension fund management and the lack of working capital held by Clwyd Leisure. All of this suggests that the proposed annual reduction in funding from the Council will place the Trust at risk of insolvency.

General Architecture of the Seafront

Previous reviews have recommended that future developments supporting the regeneration of Rhyl should exploit the extensive sea views and the natural beauty of its coastal location - and any new buildings should be designed such that they do not obstruct the panoramic views. Architecturally the Theatre and Sun Centre 'boxes' do not contribute positively to this landscape and every attempt should be made to soften or remove their negative visual impact.

The Pavilion Theatre

There are a range of issues concerning the Pavilion that need to be addressed including the lifespan of the M and E services located in the Sun Centre, the current net running costs of nearly £800k as well as the limited scope to generate additional income.

A recent feasibility analysis **Appendix B Executive Summary Feasibility Report for Alliance Leisure March 2012** has highlighted the following issues: a high staffing quota; the lack of hotel accommodation supporting any conference trade; the external appearance (entrance) ; the need for ground and first floor improvements to create conferencing events and non-theatre provision (currently generating only £10k income pa).

**RHYL PAVILION
FEASIBILITY REPORT FOR ALLIANCE LEISURE MARCH 2012
EXECUTIVE SUMMARY**

The Feasibility Analysis of Rhyl Pavilion has recently been prepared for Alliance Leisure, the Council's approved commercial development partner to help inform discussions about the scope for future investment to deliver greater effectiveness and efficiency savings. It was undertaken by an independent consultant on behalf of both Alliance Leisure and the Council and has been designed to inform the development of an affordable sustainable development.

It analyses the current business performance and the local market to establish the scale and value of any business growth potential. It informs the next phase if that is agreed as a staged way forward which includes the design of the facility development and cost plan.

Current business

The feasibility report recognises the extensive events and entertainment core business of Rhyl Pavilion but identifies scope for a considerable growth in conference and banqueting trade if certain improvements were to be made to the physical design and management arrangements.

The venue is recognised by the Arts Council of Wales as a regional venue and the theatre has strong local support as well as across the region to Cheshire and beyond.

Physical strengths of the venue include the free adjacent parking and great outlook. However despite a central regional location, distance from the A55 and the lack of a catchment population to the north due to coastal location is a limiting factor.

Potential business growth

Of the £8bn pa spent by British companies on 1.5m conferences and meetings, 62% are now non-residential with the average attendance over 50 delegates so dependence on a quality hotel infrastructure is not an issue.

The Pavilion has a good sized daily conference space - a 1000 seat theatre and break out areas, free adjacent parking and reasonable rates. The first floor space could particularly suit non theatre based events for up to 400 delegates. Improvements to the venue have been recommended (entrance/facade; reception; upgraded toilets; redesigned and automated box office; signage; first floor bar and room hire improvements) that along with a good customer service; catering partner; and good marketing and signage could create a quality sub regional destination with a number of unique selling points for conferences and events attracting new activities and increase footfall and income.

Current non theatre income is only £10k pa. The proposed improvements are expected to generate a marginal operating surplus from that side of the business of £50k which if capitalised would allow a £350,000 capital development if the term was over 10 years.

**ALLIANCE LEISURE DEVELOPMENT PROPOSALS FOR THE REGENERATION OF
RHYL - DESIGN VISUALS, SKETCH PLANS AND INDICATIVE COSTS**



DENBIGHSHIRE COUNTY COUNCIL

Development Proposal

For

The Regeneration of Rhyl



DATE: 20.11.2012

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 - 2.2 Indicative Project Costings
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8. The Next Stage

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- Appendix 2: Aquatic Design Option 1 Indicative Build Costs
- Appendix 3: Aquatic Design Option 2 Indicative Build Costs
- Appendix 4: The Sun Centre Indicative Demolition Costs
- Appendix 5: The Sun Centre Conversion To Car Park Post Demolition Indicative Costs
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- Appendix 8: RIBA Stage D fees ISG
- Appendix 9: RIBA Stage D fees S&P

1. EXECUTIVE SUMMARY

The enclosed documentation has been compiled by Alliance Leisure Services Limited (ALS), in conjunction with ISG Contractors, S&P Architects and Just Solutions to explore a range of possible development opportunities within Rhyl.

The preferred vision for the leisure offer in Rhyl is to create a new Aquatic offer on the sea front adjacent to the existing paddling pool. This would support regeneration of the town and allow the current children's village to be developed into a food court to support the regeneration of the sea front. Of significant importance to Rhyl is the sky tower and some very indicative ideas as to what this could be transformed into have been included.

Should this option be achievable the offer at the Sun Centre would need to reflect this, but due to its structure and age it maybe more beneficial to demolish The Sun Centre, and refurbish The Pavilion with a new entrance, upgrading of the box office and creation of usable space suitable for conferencing, weddings, classes, exhibitions. If the Sun Centre was demolished this would also offer scope for a hotel development.

As a fall-back option the existing leisure centre has been analysed to see how it could benefit from refurbishment should the new aquatic offer not be achieved.

Alliance Leisure was appointed to a four year framework by Denbighshire County Council as its 'Development Partner' in February 2012, and as such is fully committed to developing the options as instructed.

2. AQUATIC CENTRE CONCEPTS

The brief for the new aquatic centre is to:

- Provide a wet leisure offer that would replace both The Sun Centre and Rhyl Leisure Centre Pool.
- Provide a high quality state of the art health & fitness facility including studio's which would again replace the fitness offer at The Sun centre and the leisure centre,
- Provide further commercial provision to support the current operation.

Alliance Leisure commissioned S&P architects to design the new facility which is shown below and offers two options:

Option 1:

Wet Leisure Offer:

Creation of a 6 lane 25m pool
Creation of a learner pool
Creation of a fun pool
Creation of a dedicated village style changing area

Fitness Offer:

Creation of a 90 – 100 station fitness facility that will cater for the whole family, including interactive areas, pure strength / cardiovascular and toning areas.
Two studio /multi-purpose rooms.
The health and fitness offer has been determined through Alliance leisure commissioning a latent demand study with Leisure Database.
Please see appendix I for this report.

Commercial:

Creation of the first North Wales VertiGo climbing experience. The concept is based on climbing but with bright colourful climbing structures and a failsafe auto belay system which enables climbers to climb in safety and with confidence knowing that although they can fall off they won't fall to the ground.

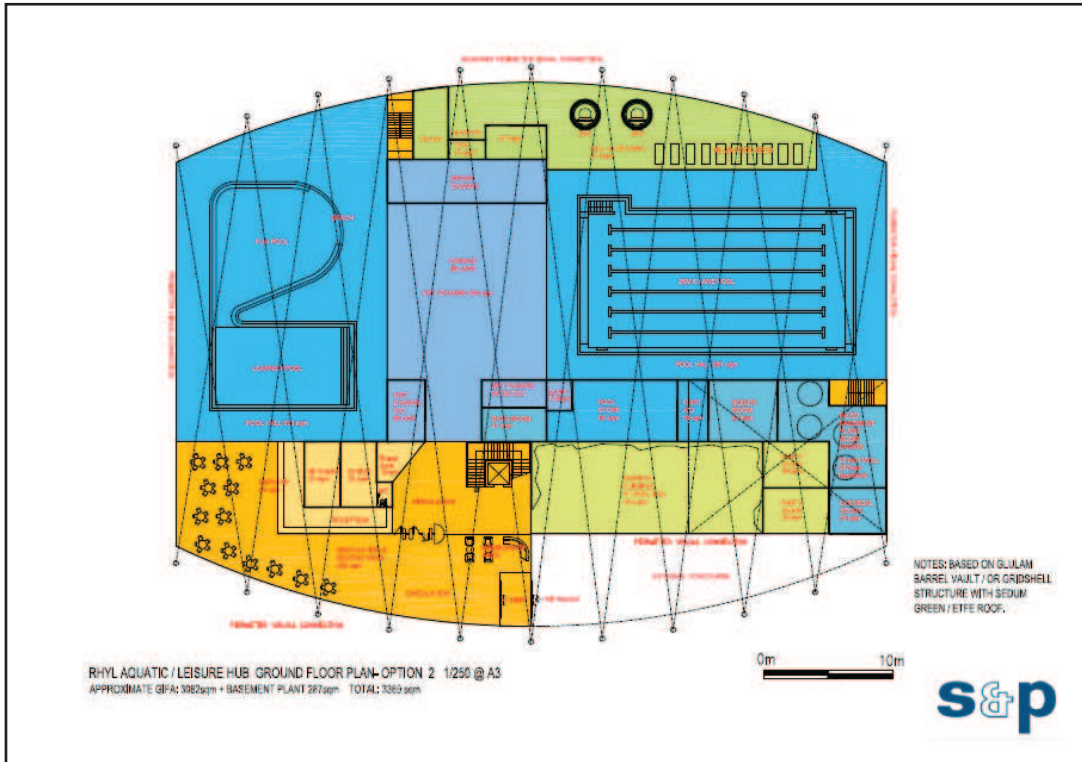
Creation of party rooms as this is a product that is very popular for parties / corporate events

Creation of a café to support the pool, health & fitness and the vertigo climbing concept.

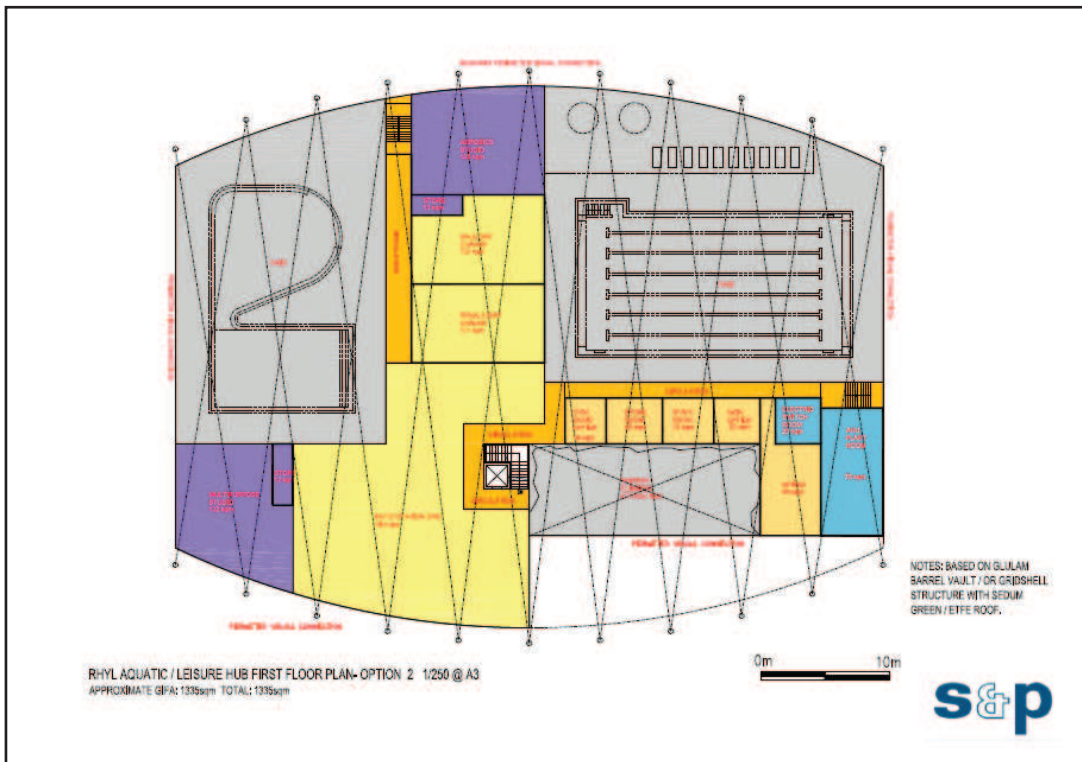
Option 2:

This is as above but with the architecture uplifted to take into account the 'iconic' focus that 'regeneration' may have. It also offers a wellness spa overlooking the sea.

Option 2: Ground Floor



Option 2: First Floor





2.2 INDICATIVE COSTINGS:

Option 1

Build Cost	:	£ 9,215,316
Project Management & CDMC	:	£ 248,000
Fitness Equipment	:	£ 250,000
VertiGo equipment	:	£ 300,000
Misc Equipment	:	£ 200,000
Total	:	£10,213,316

Please see Appendix 2 for a full cost breakdown

Option 2

Build Cost	:	£11,092,917
Project management & CDMC	:	£ 277,000
Fitness Equipment	:	£ 250,000
VertiGo equipment	:	£ 300,000
Misc Equipment	:	£ 250,000
Total	:	£12,169,917

Please see Appendix 3 for a full cost breakdown

A Gap Funding Rental of £1m would indicatively be £9,608 + VAT over 15 years and £8,463 + VAT over 20 years and multiples thereafter. Higher multiples would be marginally less per £1m.

3. THE SKY TOWER

The Sky Tower ceased operating as a ride in 2011 and there is currently no definitive decision on its future although the Rhyl Going Forward Programme Board has put three options forward:

- Option 1: To reinstate the ride
- Option 2: To dismantle the tower
- Option 3: To keep the structure and create a modern iconic feature

Option 1: To reinstate the ride

Alliance has had very indicative discussions regarding the possibility of re-instating the ride, into an 'adrenalin' type proposition utilising the sky tower structure and creating a ride similar to 'The Apocalypse' type thrill ride. Whilst costs for this are not provided at this stage very tentative discussions have indicated costs in the region of £600,000.



Utilising the Alliance Leisure mechanism of funding investment and development this would cost DCC:

- £ 9,650 + VAT per month over 7 years (£5net per ride = 1,930 rides per month / 64 rides a day)
- £ 7,500 + VAT per month over 10 years (£5net per ride = 1,500 rides per month / 50 rides a day)

Option 2: To dismantle the tower

Option 3: To keep the structure and create a modern iconic feature

Alliance Leisure with its partner architect S&P have provided below some possible imaginative options for retaining the structure. These have not been costed yet.

NB: To keep the current structure in a safe state of repair is estimated at circa £30,000.

Concept A:

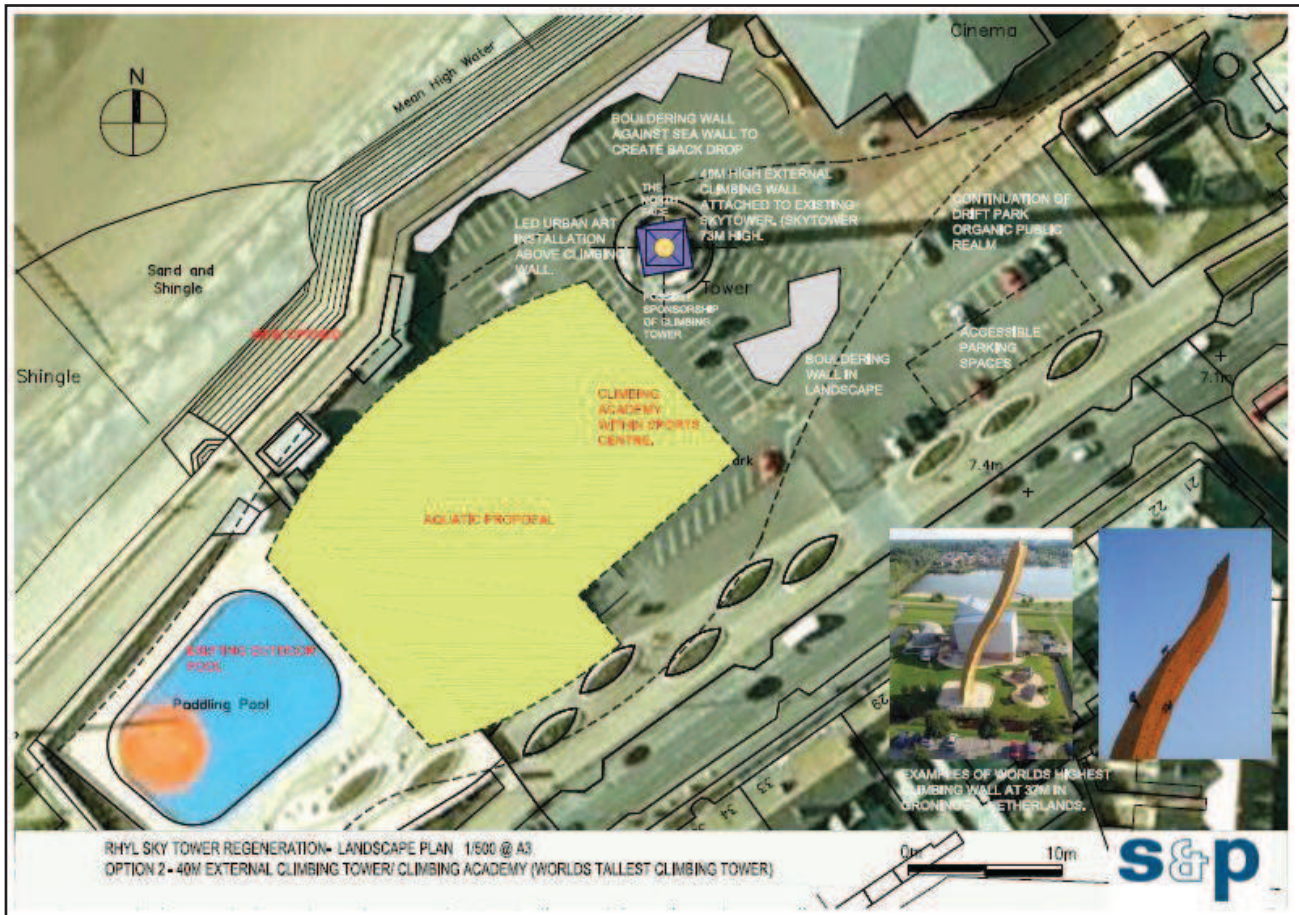
To utilise the tower a create an 'interactive urban art' feature





Concept B:

To utilise the tower structure and create a tall 'climbing' tower



Concept C:

To utilise the tower structure and link it to the 'aquatic proposal using the structure to support the flume and combining it with LED lighting



4. THE SUN CENTRE

With the new aquatic offer being delivered and with the Sun Centre water park offer nearing the end of its commercial life there is the option to demolish the Sun Centre, create new car parking and allow the adjacent Pavilion Theatre to be modernised.



4.1 INDICATIVE COSTS FOR DEMOLITION

4.1 INDICATIVE COSTINGS

Demolition Cost	:	£290,898
Project management & CDMC	:	£ 27,500
Total	:	£336,598

Indicative monthly rental would be £5,328 + VAT over 7 years / £4,251 + VAT over 10 years & £3,366 + VAT over 15 years

Please see Appendix 4 for a full cost breakdown

To convert to a car park afterwards

Build cost	:	£503,554
Project management & CDMC	:	£ 18,200
Total	:	£521,754

Indicative monthly rental would be £8,259 + VAT over 7 years / £6,590 + VAT over 10 years & £5,218 + VAT over 15 years

There may be other more cost effective solutions for the land rather than car parking, however this can be further explored should DCC wish.

Please see Appendix 5 for a full cost breakdown

5. THE PAVILION THEATRE

The Pavilion Theatre is located on the sea front of Rhyl and is owned and operated by Denbighshire County Council. Whilst it is a self-contained entity it is adjoined to the Sun Centre (a water park attraction managed by Clwyd Leisure), in terms of a joint entrance and joining buildings.

The Pavilion Theatre is recognised by The Arts Council of Wales as a regional venue, it has strong local support as well as across the region.

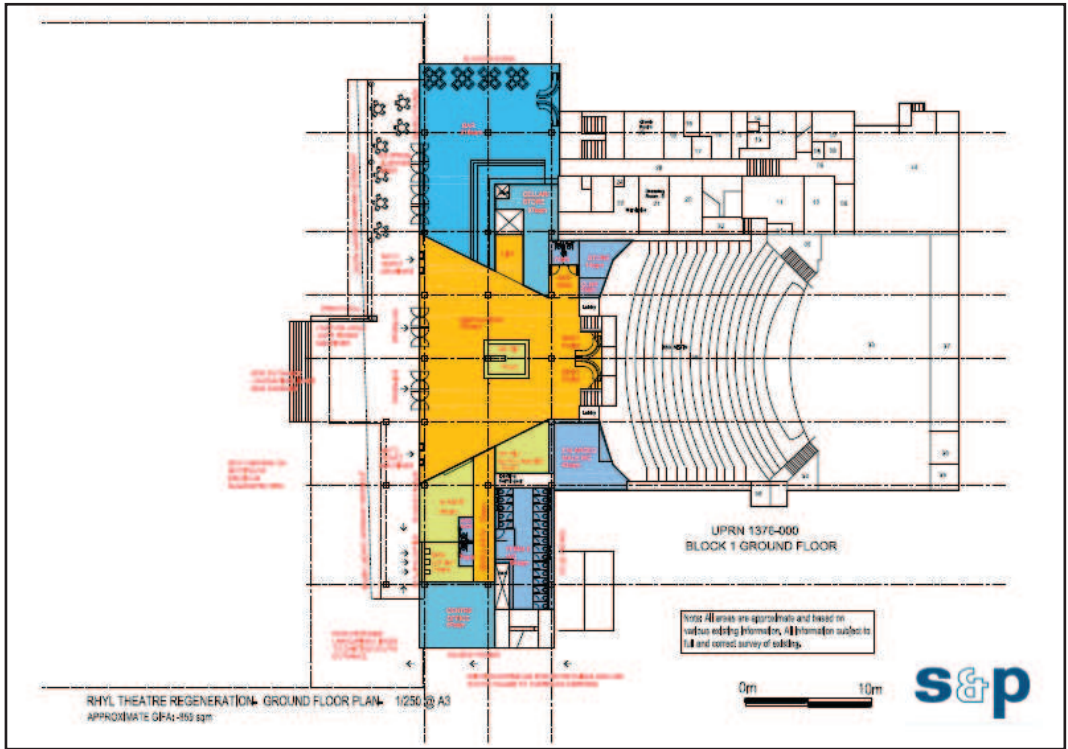
Should The Sun Centre be demolished there is opportunity to invest in the theatre creating a new entrance and façade, refurbishment of internal space to create commercial opportunity for meetings and conferences, dance and performing arts training space, as well as modernisation of the box office to create automated ticketing.

S&P Architects have provided a possible option for the refurbishment of The Pavilion Theatre. The side of the building currently adjoining The Sun Centre would be used to create a new entrance to the building, creating a welcoming and relevant space for customers to enjoy. The ground floor has a refurbished lounge / bar area with a terrace that can be used in warmer weather. The first floor has been designed to create two very functional multi-purpose rooms along with a central bar area with again a terrace.

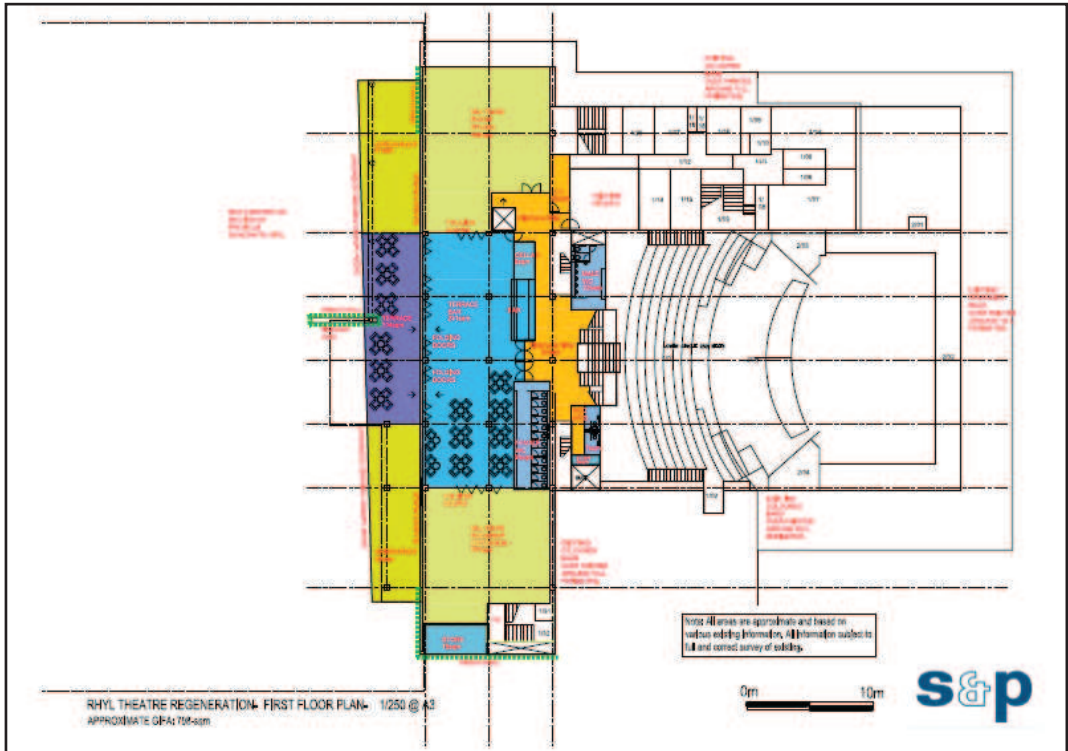


5.1: INDICATIVE DESIGNS

Ground Floor



First Floor



5.2 INDICATIVE PROJECT COSTINGS

Build Cost	:	£2,492,298
Project management	:	£ 93,000
Misc Equipment	:	£ 300,000
Total	:	£2,885,298

Indicative monthly rental would be £35,179 + VAT over 10 years / £27,775 + VAT over 15 years & £24,465 + VAT over 20 years

Please see Appendix 6 for a full cost breakdown

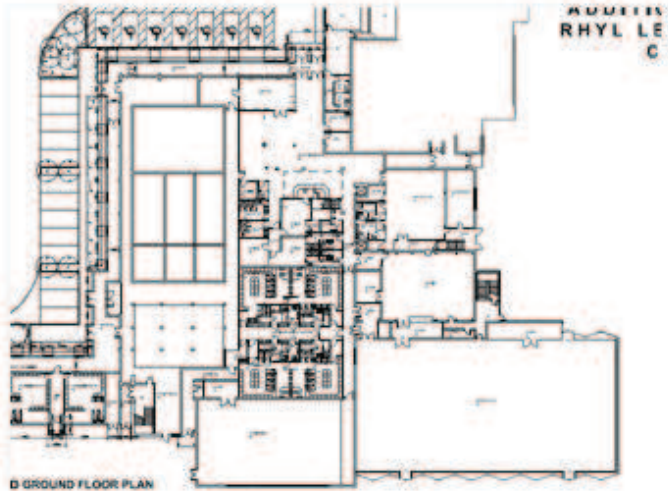
6. RHYL LEISURE CENTRE

- Should it not be viable to develop the new aquatic offer on the sea front it would be necessary to upgrade the existing leisure centre further. Alliance has looked at a number of possible options shown below:
 -
- Convert the current redundant youth club ground floor into a secondary studio / multi-purpose room
- Convert the first floor redundant youth club into a fitness extension by creating a mezzanine
- Extend the gym further into the current meeting room and conditioning suite, utilising one of the spaces for spinning
- Convert the current gymnasium into a dedicated soft play facility with associated servery for coffee / snacks
- NB: Possible secondary ideas for pool include reducing the depth to 1.05m at both ends

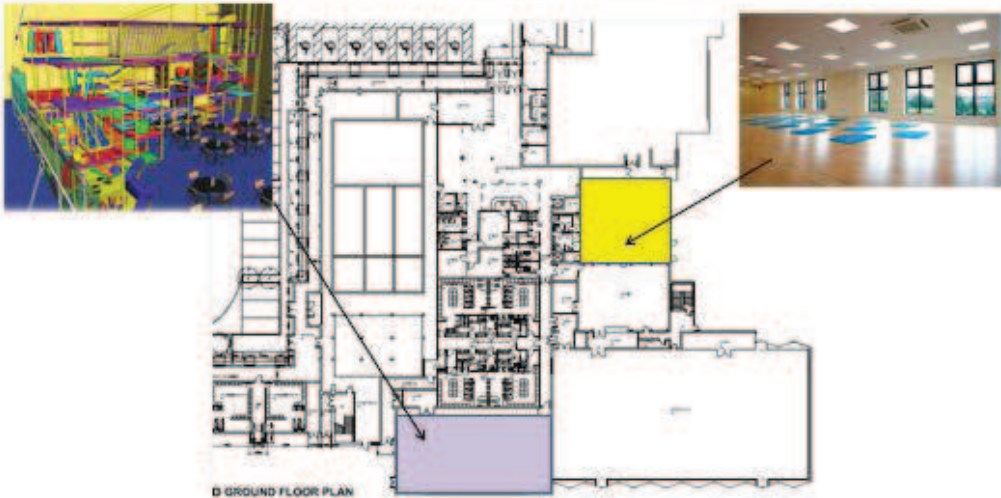
Please see visuals overleaf :

6.1 INDICATIVE CONCEPTS

Rhyl Leisure Centre – Existing space ground floor



Rhyl Leisure Centre – Potential Space Ground Floor



Rhyl Leisure Centre – Existing space first floor



Rhyl Leisure Centre – Proposed space first floor



6.2 INDICATIVE PROJECT COSTINGS

Build Cost	:	£548,917
Project management	:	£ 30,200
Fitness Equipment	:	£250,000
Play Equipment	:	£ 75,000
Total	:	£904,117

Indicative monthly rental would be £11,419 + VAT over 10 years / £9,041 + VAT over 15 years

Please see Appendix 7 for a full cost breakdown

7. THE NEXT STAGE

Should DCC wish to progress any or all of the development options enclosed within this document the costs for progressing to RIBA Stage D. (which is advanced design and cost, appropriate for Planning Submission)

Rhyl Regeneration Fee Proposal to RIBA Stage D (Planning)

Project	S&P	ISG	Savernake	ALS	Total
Aquatic Option A	148,786	£96,335	£20,500	£0.00	265,621
Aquatic Option B	175,030	£107,185	£19,000	£0.00	301,215
Sun Centre Demolition		£18,675	£5,500	£0.00	24,175
Car Park Creation			£2,000	£0.00	2,000
Rhyl Pavilion	45,727	£63,247	£7,000	£0.00	115,974

Should DCC wish to develop any of the schemes further but not to RIBA Stage D then Alliance would work with its partners to accommodate DCC's requirements.

APPENDICES

APPENDIX 1: LATENT DEMAND STUDY

ESTIMATE OF LATENT DEMAND FOR HEALTH AND FITNESS WEST PARADE, RHYL - 3 mile radius		
MOSAIC UK Type	Total Population	Total Health & Fitness Demand
A01 Global Power Brokers	0	0
A02 Voices of Authority	0	0
A03 Business Class	0	0
A04 Serious Money	0	0
B05 Mid-Career Climbers	82	6
B06 Yesterday's Captains	88	4
B07 Distinctive Success	6	0
B08 Dormitory Villagers	142	7
B09 Escape to the Country	131	7
B10 Parish Guardians	14	1
C11 Squires Among Locals	0	0
C12 Country Loving Elders	632	46
C13 Modern Agribusiness	187	18
C14 Farming Today	3	0
C15 Upland Struggle	0	0
D16 Side Street Singles	1,424	50
D17 Jacks of All Trades	3,723	188
D18 Hardworking Families	1,060	58
D19 Innate Conservatives	2,914	154
E20 Golden Retirement	35	1
E21 Bungalow Quietude	5,588	85
E22 Beachcombers	1,077	37
E23 Balcony Downsizers	174	3
F24 Garden Suburbia	367	18
F25 Production Managers	389	18
F26 Mid-Market Families	1,228	75
F27 Shop Floor Affluence	762	45
F28 Asian Attainment	0	0
G29 Footloose Managers	13	0
G30 Soccer Dads and Mums	842	51
G31 Domestic Comfort	468	20
G32 Childcare Years	354	20
G33 Military Dependants	0	0
H34 Buy-to-Let Territory	0	0
H35 Brownfield Pioneers	220	12
H36 Foot on the Ladder	152	8
H37 First to Move In	97	4
I38 Settled Ex-Tenants	586	15
I39 Choice Right to Buy	402	10
I40 Legacy of Labour	2,381	73
I41 Stressed Borrowers	1,449	61
J42 Worn-Out Workers	2,021	60
J43 Streetwise Kids	1,424	30
J44 New Parents in Need	1,884	43
K45 Small Block Singles	1,865	53
K46 Tenement Living	24	1
K47 Deprived View	0	0
K48 Multicultural Towers	0	0
K49 Re-Housed Migrants	0	0
L50 Pensioners in Blocks	354	7
L51 Sheltered Seniors	371	3
L52 Meals on Wheels	164	2
L53 Low Spending Elders	479	13
M54 Clocking Off	3,347	146
M55 Backyard Regeneration	475	21
M56 Small Wage Owners	1,024	61
N57 Back-to-Back Basics	561	22
N58 Asian Identities	0	0
N59 Low-Key Starters	657	26
N60 Global Fusion	0	0
O61 Convivial Homeowners	0	0
O62 Crash Pad Professionals	0	0
O63 Urban Cool	0	0
O64 Bright Young Things	0	0
O65 Anti-Materialists	1,031	43
O66 University Fringe	0	0
O67 Study Buddies	0	0
Sub Total	42,704	1,626
<i>Add consideration for 20% of Members from outside catchment</i>		407
Estimate of Latent Demand for Health & Fitness		2,033

APPENDIX 2: AQUATIC DESIGN OPTION 1 INDICATIVE BUILD COSTS

BCIS Cost Analysis
 Rhyll Aquatics Centre
 Initial Cost Plan based on S&P Architects Drawings OPTION 1
 Date 14 November 2012

			GIFA (m ²)	4,000	
Ref.	Element Title	Area (m ²)	Element Cost	Group Element Total	Cost/m ²
Demolitions and Alterations					
	General site clearance (Adjacent sky tower)		10000		
	ED for basement excavation		10000		
Demolition Works Sub-Total				25,000	
New Build					
Basement					
	Plant room	300	600000		2000
Ground Floor					
	Entrance Lobby	15	22000		1500
	Extra Over for glazed automatic doors	Item	8000		
	Circulation & Cafe Seating	278	444000		1600
	Servary	28	46000		1650
	Reception Desk / Sundry Counter	Item	20000		
	Turnstiles	Item	21000		
	Staircase to first floor	26	41600		1600
	Passenger Lift	Item	20000		
	Office	23	36000		1600
	Kitchen	29	46000		1600
	Kitchen fit out		30000		
	Store	10	10000		1000
	WC	5	8000		1700
	Wai Change WC Block	48	96000		2000
	Changing Village	297	534600		1800
	Group Change	86	120000		2000
	Pool Store	44	66000		1500
	Store	5	7500		1500
	First Aid Room	11	17500		1600
	Pool Circulation	19	28400		1500
	Plant Room	70	104000		2200
	Chemical Store	19	28000		1500
	Back of House Staircase	18	27000		1500
	Electric Switch Room	15	30000		2000
	Boiler Room	41	82000		2000
	Data Room	12	18000		1600
	Cleaners Store	5	7500		1500
	Vertigo Circulation	18	27000		1500
	Party Room 1	33	50800		1600
	Party Room 2	33	50800		1600
	Extra Over for loading partition	Item	10000		
	Vertigo Climbing Attraction (excluding climbing equipment)	251	375000		1500
	Pool Hall	1181	2480100		2100
	Extra over for Fun Pool equipment - provisional		60000		
First Floor					
	Aerobics Studio	122	201300		1650
	Aerobics Studio Store	8	12000		1500
	Multi Purpose Studio	122	201300		1650
	Multi Purpose Studio Store	8	12000		1500
	Extra over for air conditioning to aerobics & multi purpose rooms		15000		
	Fitness Suite	428	664800		1500
	Extra over for air conditioning to fitness suite		10000		
	Reception Desk		6000		
	Male Dry Change	97	174600		1800
	Female Dry Change	92	165600		1800
	AHU Plant Room	84	168000		2000
	Circulation	42	63100		1500
	Staff Room	21	32000		1500
	Manager's Office	21	32000		1500
	Office	60	89000		1500
Total m²		4000			
Building Works Sub Total				7,508,900	
External Works					
	No details, provisional allowance		50000		
External Works Total				50,000	
Building Works Total				7,583,900	
Other Items					
	Provisional Sum for Planning Fees			17,064	
	Provisional Sum for Building Control Fees			15,000	
	Preliminaries	inc			
Other Items Total				32,064	
Total				7,615,964	
Design Fees			10%	761,596	
Total				8,377,560	
P & O			7.5%	628,317	
Contingencies 2 1/2% of build cost			2.5%	209,439	
Total Project Cost				9,215,316	2,303.83

Exclusions
 Fixtures & Fittings
 Climbing equipment
 Services diversions if required
 Signage
 Gas, water & electric services assumed local to site
 Assumed no sub-station required

APPENDIX 3: AQUATIC DESIGN OPTION 2 INDICATIVE BUILD COSTS

BCIS Cost Analysis
 Ryfyl Aquatics Centre
 Initial Cost Plan based on S&P Architects Drawings OPTION 2

Date: 14 November 2012

Ref.	Element Title	Area (m ²)	Element Cost	Group Element Total	Cost/m ²
Demolitions and Alterations					
	General site clearance (Adjacent sky tower) EO for basement excavation		15,000 10,000		
Demolition Works Sub-Total				25,000	
New Build					
Basement					
	Plant room	287	574,000		2000
			0		0
Ground Floor					
	Entrance Lobby	15	22,500		1500
	Extra cover for glazed automatic doors		8,000		
	Circulation and seating area	411	857,500		1600
	Sanitary	45	74,250		1650
	Reception desk / sanitary counter		30,000		
	Kitchen	29	36,800		1600
	Kitchen fit out		30,000		
	Office	29	36,900		1600
	Rugby area	17	10,200		1600
	WC	4	8,500		1700
	Turnstiles		21,000		
	Stairs to first floor	24	38,400		1600
	Passenger Lift	Item	25,000		
	Lounger Pool Hall	606	1,395,600		2100
	Wet Change WC Block 1	24	43,200		1800
	Wet Change WC Block 2	18	32,400		1800
	Data Room	21	34,650		1650
	Wet Change	294	588,000		2000
	Group Change	68	122,400		1800
	Cleaners Store	8	12,000		1500
	Pool Store	68	102,000		1500
	First Aid Room	18	28,800		1600
	Main Pool Hall	601	1,451,100		2100
	Boiler Room	40	80,000		2000
	Plant Room	75	150,000		2000
	Back of house staircase	17	25,500		1500
	Party Room 1	28	44,800		1600
	Party Room 2	28	44,800		1600
	Variety Climbing Attraction	209	304,500		1500
	Spa Stairs	17	27,300		1600
	Spa areas	271	375,400		1400
	Spa Fit out	Item	37,000		
	M&E to spa	Item	60,000		
First Floor					
	Multi purpose studio	130	217,800		1660
	Store	12	18,000		1500
	Fitness Suite	454	703,700		1550
	Extra cover for air conditioning to fitness suite	Item	10,000		
	Female Dry Change	101	181,800		1800
	Male Dry Change	100	185,400		1800
	Aerobics Studio	135	222,750		1660
	Aerobics Studio Store	10	15,000		1500
	Extra cover for air conditioning to aerobics & multi purpose rooms	Item	15,000		
	Circulation	75	112,500		1500
	Gym Office	18	27,500		1550
	Store Room	25	37,500		1500
	Staff Room	28	36,650		1310
	Managers Office	20	31,000		1550
	Office	60	90,000		1500
	Circulation	121	181,550		1500
	Electric Switch Room	20	40,000		2000
	Plant Room	75	152,000		2000
Total m²		4766			
Building Works Sub Total				9,023,700	
External Works					
	No details, provisional allowance		60,000		
External Works Total				60,000	
Building Works Total				9,106,700	
Other Items					
	Provisional Sum for Planning Fees			30,700	
	Provisional Sum for Building Control Fees			19,300	
	EO for glulam beams and green roof Preliminaries	Inc		30,000	
Other Items Total				80,000	
Total				9,167,000	
Design Fees			10%	916,700	
Total				10,094,470	
P & D			7.5%	750,335	
Total				10,840,505	
Contingencies 2.5% of build cost			2.5%	252,112	
Total Project Cost				11,092,617	2,352.90

Exclusions
 Fixtures & Fittings
 Climbing equipment
 Services diversions if required
 Signage
 Gas, water & electric services assumed local to site
 Assumed no sub-station required

APPENDIX 4: THE SUN CENTRE INDICATIVE DEMOLITION COSTS

BCIS Cost Analysis
 Rhyl Sun Centre Demolition
 Initial Cost Plan based on Alliance Brief

Date: 16 November 2012

Ref.	Element Title	Area (m ²)	Element Cost	GIFA (m ²)	
				Group Element	Total
	Demolition preparatory works				
	General strip out/ preparatory work		10000		
	Termination of existing services		15000		
	Demolition Works Sub-Total				25,000
	Demolition				
	Demolish existing Rhyl Sun Centre	Item	167000		
	Make good area on completion (See also car park calculation on Pavilion cost plan)	4,550	22750		
	Temporary propping		10000		
	Building Works Sub Total				199,750
	External Works				
			0		
	External Works Total				0
	Building Works Total				224,750
	Other Items				
	Provisional sum, Asbestos survey & strip out				20,000
	Preliminaries				12,000
	Other Items Total				32,000
	Total				256,750
	Design Fees		3%		7,703
	Total				264,453
	P & O		7.5%		19,834
					294,286
	Contingency 2 1/2%		2.5%		6,611
	Total Project Cost				290,896

Qualifications & Comments

All credit for materials remains the property of ISG
 We have allowed for completing the works in one visit
 We have made no allowance for special or contaminated waste
 All debris and furniture belonging to existing tenants to be removed by other prior to demolition
 All demolition works to be carried out to BS6187:2011

APPENDIX 5: THE SUN CENTRE CONVERSION TO CAR PARK POST DEMOLITION INDICATIVE COSTS

Works to car park				
Tarmac surfaced car park to existing Sun Centre site	4550		341250	
Making good prior	4550		68250	75
Lighting etc			50,000	15
White lining			2,000	
			461,500.00	
Design fees - say	1.50%		6,922.50	
			468,422.50	
P & O			7.5%	
			35,131.69	
			503,554.19	

Exclusions:
 Fixtures & fittings
 Signage
 External works unless otherwise noted

APPENDIX 6: THE PAVILION THEATRE INDICATIVE BUILD COSTS

BCIS Cost Analysis
 Rhyd Pavilion Theatre
 Initial Cost Plan based on S & P scheme dated 15 Nov 2012

Date: 16 November 2012

				GIFA (m ²)	1,851
Ref.	Element Title	Area (m ²)	Element Cost	Group Element Total	Cost /m ²
Demolitions and Alterations					
	General strip out		60000		
	Relurb west elevation post demolition		30000		
Demolition Works Sub-Total				90,000	
Refurbishment					
<u>Ground Floor</u>					
	Entrance / Circulation	293	234400		800
	Reception Desk		10000		
	Retail	17	11900		700
	Retail / Merchandise	22	15400		700
	Cloaks	34	23800		700
	Circulation	29	16900		600
	Disabled WC	7	6300		900
	Box Office	18	10900		600
	Box Office WC	7	5650		850
	Female WC	64	54400		850
	Enlarged Male WC	43	34400		800
	Centre Office	50	30000		600
	WCs	14	11900		850
	Store	14	8400		600
	Cleaner's Store	5	3000		600
	Lift		30000		
	Cellar / Store	37	22200		600
	Bar	218	163500		750
	Bar fitting		40000		
	Extra over for new glazed façade	196	98000		500
	Extra over for entrance doors		32000		
	Automated ticket machines - provisional allowance		35000		
	Extra over for provision of external box office facility		10000		
	Green Wall - provisional allowance		7000		
<u>First Floor</u>					
	Multi-use room / Studio	185	120250		650
	Fire escape corridor	12	7200		600
	Circulation	94	56400		600
	Terrace Bar	231	173250		750
	Bar fitting		20000		
	Cellar	8	4000		500
	Extra over for folding partitions, two number		28000		
	Male WC	22	18700		850
	Female WC	39	33150		850
	Disabled WC	14	12600		900
	Cleaner's Room	3	1500		500
	Multi-use room / Bar extension	157	102050		650
	Store	19	9500		500
	Extra over for new glazed façade	110	55000		500
	Extra over for folding doors		12000		
	Green Wall		20000		
	Green Roof	181	27150		150
	Terrace Bar	104	26000		250
	Balustrading to terrace bar area (30m)		16500		
	Extra over for upgraded veranda	295	28500		100
	Total m²	1851			
Building Works Sub Total				1,686,900	
External Works					
	New entrance landscaping	671	100650		150.00
	External licensed area	147	14700		100.00
	Existing coloured band over painted around full perimeter (Prov)		30,000		
External Works Total				145,350	
Building Works Total				1,822,250	

Other Items				
Provisional sum. Asbestos survey & strip out			30,000	
Provisional Sum for Planning Fees			4,000	
Provisional Sum for Building Control Fees			3,500	
Provisional Sum, M & E works to existing heating & ventilation			100,000	
Preliminaries		inc		
Other Items Total			137,500	
Total			2,059,750	
Design Fees		10%	205,975	
Total			2,265,725	
P & O		7.5%	169,929	
Contingencies 21% of build cost			2,435,654	
		2.5%	56,643	
Total Project Cost			2,492,298	1,346.46

APPENDIX 7: RHYL LEISURE CENTRE INDICATIVE BUILD COST

BCIS Cost Analysis
 Rhyl Leisure Centre
 Initial Cost Plan based on Julia Goddard powerpoint dated 1st November 2012

Date 05 November 2012

				GIFA (m ²)	933
Ref.	Element Title	Area (m ²)	Element Cost	Group Element Total	Cost /m ²
Demolitions and Alterations					
	General strip out				
	Existing youth club		2000		
	Gym		10000		
	Proposed new area for fitness extension		10000		
Demolition Works Sub-Total				13,000	
Refurbishment					
Ground floor					
	Multipurpose room	156	60400		400
	New soft play	283	78900		300
	Servary		15000		
	Servary catering equipment		10000		
First floor					
	New fitness suite	491	220950		450
	Screen to spinning area		10000		
	Air con to new fitness suite		10000		
	New mazzanine floor	29	18400		800
Total m²		933			
Building Works Sub Total				425,650	
External Works					
External Works Total				0	
Building Works Total				425,650	
Other Items					
	Provisional sum: Asbestos survey & removal			10,000	
	Provisional sum: Statutory fees			5,000	
	Preliminaries		inc		
Other Items Total				15,000	
Total				453,650	
Design Fees					
Design Fees				10%	45,365
Total					499,015
P & C					
P & C				7.5%	37,426
Contingencies 2.5% of build cost				2.5%	12,475
Total Project Cost					548,917

Note: Excluding Soft Play equipment

- Rhyl Leisure Centre. (Note: The cost plan does not include for any work to the pool. If the depth requires lessening allow approx £135,000)

APPENDIX 9: RIBA STAGE D COSTS S&P

DENBIGHSHIRE COUNTY COUNCIL							
Architectural Stage D fees	Project Cost	Minus design Fee	project Cost	Total fee based on Build plus O/H, P and	Total fee	stage D %	Planning Stage D Fee
New Leisure Centre Option One	9215316.00	761596.00	8453720.00	4.40%	371963.68	40%	148785.47
New Leisure Centre Option Two	11092917.00	916770.00	10176147.00	4.30%	437574.32	40%	175029.73
Theatre regeneration	2492299.00	205957.00	2286342.00	5%	114317.10	40%	45726.84

REPORT TITLE: RGF: Future of Rhyl Sky Tower

REPORT AUTHOR: Tom Booty – RGF Programme Manager

REPORT FOR: Rhyl Going Forward Programme Board 26 September 2012

1. Purpose of the Report

This report provides information regarding the current position with the Rhyl Sky Tower and outlines options for the future.

2. Background

The Sky Tower was opened in 1993 and was operated under a lease from DCC for a number of years by Clwyd Leisure Limited (“CLL”). Figures from the Clwyd Leisure Business Plan 2009/10 indicate that in the previous year (08/09) the Sky Tower generated and income of £28,700 against expenditure of £16,900 providing an surplus of £11,800. However, this seems to omit some of the overheads such as the Clwyd Leisure Engineer, insurance etc., - which effectively means that the Sky Tower probably just about broke even. It would appear from these figures that there was very little investment in maintenance of the structure.

The Sky Tower as an attraction has seen a diminishing number of visitors over the past ten years or so reflecting the down turn in Rhyl as a leisure destination and the lack of investment in developing the attraction. In recent years the physical condition of the Tower has deteriorated to such an extent that in early 2011 DCC commissioned a report on the Tower in order to determine how best to deal with the situation.

As a result of this report DCC decided not to renew the lease arrangements with CLL due on 31 March 2011 and close the attraction for the 2011 season. This decision was taken on the basis that the structure was unsafe and required a significant capital investment of circa £400k to bring it back into use as a ride. The site was hoarded to ensure public safety, and the facility has not operated since its closure.

The Council receive an annual rental income from the tower of £7,862 from telecommunications companies for the equipment they have installed at the top of the tower. There is the potential to increase this significantly when leases are renewed and/or when additional equipment is installed.

A more recent report (Jul 2012) has indicated that, whilst there remain significant costs associated with refurbishing the Sky Tower as a ride, the main structural elements of the

tower (basically excluding the parts that move and make the facility a “ride”) were sound and probably have a further 30 years life.

3. Options

There are three main options for consideration:

3.1 Refurbish and reinstate as a ride

The current estimated cost of bringing the tower back into use as a ride are currently estimated to be in the region of £400K (based on a surveyors report from 2011). At the start of the 2012 season, at their request the operators of the Tir Prince fairground were invited to inspect the tower for their consideration and opinion on the possibility of bringing the tower back into use as a ride. They considered that, whilst they may be able to make some savings on the £400K estimate, the investment required was still significant and would not stack up from a business point of view without very significant grant support from the public sector.

PROS:

- A refurbished skytower would create another attraction for Rhyl
- Income from the telecommunication equipment could be maintained and possibly increased

CONS:

- The cost of refurbishment is considerable and no funding source identified.
- The cost of capital investment is not justifiable in terms of the revenue the attraction is likely to generate

3.2 Dismantle and remove

The tower could be dismantled and removed. The cost of such dismantling has not been investigated, but in any case could be offset either by the scrap value of the metal or through the tower being bought by another organisation for refurbishment elsewhere (we understand that this would be a possibility). This may make this option cost neutral, although there would be issues of compensation for the telecommunications companies for loss of the site for their equipment.

PROS:

- All ongoing costs and risks associated with the tower would be removed
- It may be a cost neutral option (although the telecommunications compensation issue may mean this is not the case)
- It would create a site which could be used for additional car parking or installation of a new ride

CONS:

- Rhyl would lose another attraction/facility (although the basis of the ride could be duplicated by having a big wheel erected for the season -as per Chester and Beaumaris. There has been some expressions of interest from operators for this, and would offer a much lower cost/low risk option.
- Rhyl would lose an iconic structure that can be seen for miles
- Income from the telecommunications equipment would be lost
- Another Rhyl facility would be lost with no plans for re-provision of a new attraction

3.3 Retain structure for a new use

The existing tower structure is sound, and as such there is an option to retain the tower but accept that it will never operate as a ride again. This would involve removing all the equipment associated with the ride (observation gondola, wires, etc) but retain the main tower structure. The cost of this is estimated to be in the region of £30,000, although this would need to be confirmed through a full external survey. Alternative uses for the tower could then be explored, and options here could be to seek sponsorship (as per Morecambe’s “polo” tower) or using the tower as a site for a public art installation (e.g. installing lighting)

PROS:

- All ongoing costs and risks associated with the tower would be significantly reduced
- The iconic nature of the tower would be retained and potentially enhanced
- Income from the telecommunication equipment could be maintained and possibly increased

CONS:

- Rhyl would lose the “ride” aspect of the Sky Tower permanently
- There is still a cost in the region of £30K that would need to be found from somewhere

4. Consultations to date

A version of this report was considered at the Rhyl Member Area Group meeting on 12 September. Whilst there was no overall consensus on the options presented, there were some strong views expressed favouring option 1 – refurbish and reinstate as a ride. There was also a request to consider the project in the wider context of other plans and possible future projects so that prioritised investment decisions can be made. An alternative option was also put forward to convert the Sky Tower into a mother and child feeding station/baby-changing facility/first aid post.

A version of this report was also considered at the Communities Scrutiny meeting of 13 September. At this meeting there was a clearer consensus around option 3 – retain structure for a new use.

Note that neither of these meetings are decision making bodies and provide recommendations only.

5. Recommendation

The officer recommendation is that Option 3 – retain structure for a new use – is the most appropriate course of action, and this is likely to form the basis of a report to Denbighshire's Cabinet Briefing on 1 October and subsequently to Cabinet on 23 October 2012 where a decision about the way forward will be made..

Rhyl Going Forward Programme Board is requested to indicate which of the detailed options, or other option not outlined, they consider to be the most appropriate course of action for the Sky Tower. The views of the group will be included in the report

INDICATIVE DESIGN BRIEF FOR A NEW 'COMMERCIAL' AQUATIC, FITNESS AND LEISURE CENTRE FOR RHYL

GENERAL PRINCIPLES

The principle proposal and catalyst for the regeneration of the sea front is the development of a new Aquatic Centre. Currently the preferred location is on the Children's Village site.

If possible the facility design should be 'iconic' so as to help uplift the area and attract more business and visitors to the town.



The design brief is deliberately aspirational to deliver a facility which brings a unique identity and serves as a trigger for the further regeneration of Rhyl although the final design brief will also be governed by affordability, market needs and any grants funding secured.

The design will include fitness and dance studios plus additional attractions with a long term investment value important to deliver the special appeal and maximise income for the aquatic facility e.g. Tenpin Bowls; commercial food outlets/catering/wine bar; an indoor and outdoor leisure experience and whole family entertainment centre - adventure play/climb/caving. A niche entertainment offer, complementary to and not competing with, other facilities in the area.

GENERAL REQUIREMENTS FOR A NEW AQUATIC, FITNESS AND LEISURE CENTRE

The development proposals for the new centre include both leisure and more formal waters together with health, fitness, catering and other leisure offers.

The design features should establish a leisure attraction which is unique to Rhyl – setting it apart from other destinations.

The following design objectives have been recommended:

- To replace the outdated facilities at The Sun Centre with a new facility also accommodating the displaced activity following the subsequent closure of the pool at Rhyl Leisure Centre.
- To satisfy the local community swimming needs i.e. by:
 - developing swimming and fitness facilities in a way that will complement and add to the Leisure offer already provided by the Council;

- meeting the swimming and associated recreational needs of Rhyl and the surrounding area and complementing The Nova (subject to a further commercial review);
 - providing for school-aged swimming programmes together with recreational opportunities for adults and families;
 - accommodating the training needs of clubs, private groups and individuals for swimming competition and personal fitness;
- To offer a range of commercial health and fitness facilities that would be complementary to other facilities in the area.
 - To provide a wet weather attraction for visitors that is complementary to those offered by the many caravan parks and based upon a 2 – 3 hour and not all day visitor experience.
 - To provide a complementary beach sports and ‘splash’ centre alongside the ‘new pool’.
 - To design inside-outside water features creating an aesthetically pleasing feeling of form and grace.
 - To act as an iconic statement in the regeneration of Rhyl stimulating commercial life and providing both activity and excitement.
 - To create a building with a sense of place to contribute to an improved urban form and character.

The Indoor Pool(s) to be a mix of:

- A large water space within an acoustically poor hall can be ‘intimidating’ to anyone other than the most proficient and fittest of swimmers; is not conducive to developing participation and is noisy for teaching purposes. The pool(s) to have a combined water area to be made up in the following way:

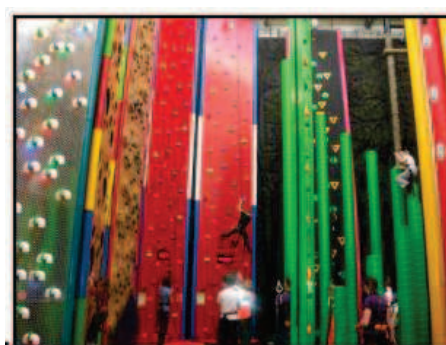
- Training Pool
 - 6 lanes x 25m = 325m²
 - Or 8 lanes x 25m – 425m²
- Leisure waters to incorporate learner pool - 275 m²
- Combined 600 m² - 700 m².



- Any new aquatic centre will be delivered by way of a very large building. It is therefore vital that the design elements are not overtaken by the functional requirements. For example, delivering the desired water space through a 50m tank with free-form addition would make the creation of an iconic building, that is aesthetically appealing, in an open seafront location more difficult to achieve.

- Training pool –
 - a. a 25m pool incorporating 6 or 8 lanes with provision for up to 200 spectators on the pool side and a small viewing balcony to meet the needs of local swimming clubs.

- Leisure waters and features-
 - a. Freeform leisure pool without lane marking, generally of a constant water depth with an area of shallow water suitable for teaching young children to swim, the emphasis being on water experience rather than play.
 - b. The water depth in the leisure waters to be no more than 1.2m deep with shallower bays for children.
 - c. Learner pool - to be incorporated within the leisure waters
 - d. Water features to include wild water channels, cannons, waterfalls, bubble bed, underwater lighting, and Jacuzzis, relaxation and tranquillity areas with views out towards the sea.
 - e. The introduction of a wave machine and the scale of any flumes/extreme rides to be given further consideration.
 - f. The development of other adventurous activity attractions within the Centre could avoid the need for 'extreme' rides and elaborate flumes that break out through the envelope of the building.



Acoustic Privacy

If the indoor waters are provided by way of separate tanks then consideration should be given to sound separation and acoustic privacy for training pool users. The use of glazed screens will maintain a strong visual link between the two spaces and a good degree of visual privacy could be achieved for the training pool users by introducing a change of level in the leisure pool waters.

If the leisure waters are 'free form' and off the training tank, then careful consideration must be given to pool supervision sight-lines.

Outdoor Features

Subject to the development of a beach/water sports centre alongside the 'new pool' consideration should be given to the development of a small free form paddling/splash pool with a constant water depth and designed to be overseen by limited or 'zero' pool staff.

The introduction of an outdoor shallow water pool will allow for the closure of the existing paddling pool, releasing the area for further commercial re-development.

Fitness suite

This must be considered in context with the future operation of The Nova, enhancements to the fitness offer at Prestatyn Leisure Centre and the current facilities provided at Rhyl Leisure Centre.

To be developed for up to 150 stations with views out over the sea.

Environmental requirements will include:

- Lighting to take account of any mirrored surfaces;
- Natural lighting to be controlled to prevent glare;
- The ventilation system must be designed to cope with the considerable amount of metabolic heat, body odours and humidity;
- Temperature and humidity controls must be capable of wider variation than normal and have the capacity to react swiftly;
- The heating and ventilation system should be quiet enough not to interfere with speech and communication within the studio;
- Soundproofing may be necessary to prevent noise transmission to and from adjoining spaces;
- The acoustic quality of the area should provide good conditions for music and sound reproduction.

Dance and exercise studios

20m x 15m with semi-sprung floor and a clear height of 4.5m; storage of no less than 10m x 3m; with similar environmental requirements as for the fitness suites.



Ten Pin Bowling

Subject to a commercial review of facilities currently operating in Wrexham, Chester and Cheshire Oaks (Ellesmere Port) and those available in caravan parks across north Wales.

Catering facilities

These to be located such that they can satisfy the needs of both the outdoor facilities and the leisure waters - perhaps opening up to the waterfront during the summer months. Effectively the cafeteria would operate in a similar way to that of a promenade or pier. Costa Coffee/Café 21 style – coffees soft drinks and Panini's etc.



Further consideration will need to be given to the merits of a licensed leisure bar to accompany any Ten Pin Bowling facility.

The design of this aspect of the centre will be critical to the wider impact of the development. If the aquatic centre is to provide more than simply a replacement for the Sun Centre then its openness to 'all' must be a serious design consideration.

Retail opportunities

The development of a new aquatic centre will create the potential to generate further economic activity in proximity to the outside surrounds of the facility and this might include a quality pizza outlet; shopping mall/health spa/hair and beauty etc. perhaps with links to the specialist training provided through Coleg Llandrillo (Rhyl).

Fundamental Design Principles

The following section sets out the fundamental principles that it is recommended inform the final design brief.

'As part of any waterfront development proposals the facility would be close to the town centre, have good pedestrian access and links with public transport, together with excellent connections to distributor roads. Any proposal should take account of: pedestrian movements to, around and from the site; traffic circulation in and around the site; site levels and topography; predominant materials and building styles in the town centre; proposed future developments and adjoining commercial developments.

Any design strategy will not be achieved by simply specifying the consistent use of external cladding material.

The following are just some of the elements that will require attention:

Form and roofscape

The new swimming pool must have a distinguishing form and a relationship with other planned town centre buildings. It is likely that the majority of the roofs will be visible from various locations and consideration must be given both to their profiles and colours.

Space between buildings

The space that will surround the new swimming pool will be an important aspect of the overall townscape development – the spaces must relate to each other, and to the rest of the town centre. The inter-relationship of buildings will be the determinant of overall success.

The use of topography

It is important that the new facility takes advantage of the views out across the waterfront/sea. Choice of materials and colours should not necessarily reflect any existing building fabric in the town centre. The choice should be conditioned by the facility type, location and scale, yet still reflect the civic nature of the development.

Pedestrian movement



The flow of people in and around the site must take account of established routes or define or modify desire lines according to the facility location. The relationship with any commercial development must be taken into account.

Drama and theatre

The character of the building should be stimulating, exciting and provide a sense of theatre ad occasion, even for everyday use.

A good leisure atmosphere

A stylish atmosphere, part exciting and stimulating for the adventurous, and part tranquil for those interested in relaxing is appropriate to the development of a 21st century swimming facility. The design must take account of exotic planting and skilful use of artificial lighting.

Daylight

The correct balance between adequate daylight and energy efficiency means using natural light consistent with a pleasant atmosphere, and without excessive daytime artificial lighting. Daylight from above will give effective illumination of space and planting, avoiding glare and specular reflection on the water surface.

Sidewall glazing should be introduced to provide views out across the waterfront/town centre and provide views into the building from the entrance walkway.

'BEACHSIDE BAR'

ALONGSIDE THE AQUATIC CENTRE

Design Matters

The centre to provide 2-3 beach volleyball or foot volley courts which can be converted into two 5 a-side beach soccer or rugby pitches or one international sized beach soccer pitch.



The venue to provide an area for spectators, a bare foot bar/cafe with decked relaxation area.

Beach volleyball is an Olympic sport and FIFA are hosting a beach soccer World Cup shortly. Now is a good time to develop an exciting beach sport centre.

The area to be floodlit to 120 lux to allow for play throughout the year.

The facility could offer sporting packages for a whole range of client groups from multi-activity team building days, soccer and rugby tournaments, barbeque and beach parties, leagues to be run throughout the year.

Families and newcomers to the sport can be encouraged to come and try the sports through taster and drop in training sessions and local leagues could be run Monday's to Friday evenings with dedicated session for all age groups and ability ranges.

Dimensions

The beach volleyball court has an 8 x 16 metres playing area with a 3m run off on each side (5m run off for international tournaments).

Construction methods are pretty simple. Requirements are that players must be free to dive and jump without risk of injury from contacting a hard surface.

FIVB rules require the sand to be at least 400mm deep across the entire playing area including run off. The total sand required for single court will therefore be in the region of 200 tonnes depending on density, moisture content and size of runoff. Grain size should be not too fine thereby avoiding the sand being blown in the wind and becoming compacted and hard when wet; too coarse and it will be difficult to play on in bare feet.

Individual sand particles must be relatively smooth and the sandpit content must be clean and free from sharp shell fragments or biological matter, colour not too white to reduce glare. Yellow or orange builders sand is not suitable because it will stain and become heavy and compact when wet.

The playing surface is simply laid over a porous membrane on top of a gravel drainage system, overlaying a porous drainage pipe.

Fencing

Perimeter fencing to act as a natural barrier to unwanted users and to prevent balls migrating outside of the sandpit. The fencing can be used to support advertising banners and wind break netting where required. Fencing should be no less than 3m on all sides with consideration given to a height of 5m behind each beach soccer goal. Wind break netting can be attached to perimeter fencing to improve the quality of play and to reduce the migration of sand due to any onshore wind.

Technical requirements

Floodlighting lux levels - training 120 lux, local competition up to 300 lux, international and Olympic 1000 - 1500 lux.

Playing area requirements

Beach soccer pitch side 37 x 28 metres with a 2m run off sand surround on all sides. The pitch size can be reduced for recreational use to a minimum of 32 x 24 metres or a sand pit of 34 x 26 metres.

Beach handball court size - 27 x 12 metres, 3m run off sand surround on all sides.

Beach rugby court size - 50 x 35 metres, 3m run off sand surround on all sides. The area can be made smaller or adapted for recreational use with a minimum of 30 metres x 20 metres.

Foot volley court size - 19 x 9 metres, 3m run off sand surround on all sides, 5m on sides and 8m at ends for international standard.

Beach korfbal - 20 x 20 metres.

Beach volleyball

Beach volleyball can be played with 4-12 players. The more players the easier it gets. 4, 5 or 6 a-side can be played by anybody and is a popular holiday game. The game was first developed on the beaches of Brazil and California. Playing on sand allows for dynamic moves and exciting drive which makes the game so much more enjoyable than the indoor version.

The doubles game requires a greater amount of fitness to cover the court area and is an Olympic sport.

Beach soccer

Beach soccer is a similar game to standard soccer/football except it is played on sand. Sand makes it more of a technical game as it is affected by the ever changing surface. The ball tends to be controlled in the air which is something that doesn't occur in a normal 5 a-side match played, on an artificial surface. The game is played bare foot and is excellent for improving soccer skills. Normally the games are played with endless substitutions which lead to more players being involved than in normal 5 a-side games.

Beach rugby

Beach/tag rugby is a simple fast moving game with minimal contact and is played throughout the world. The game is similar to rugby but without the tackling, scrumaging, rucking, lineout and kicking allowing men, women and children of all ages and skill levels to play without fear of getting hurt.

Foot volley

Foot volley is a new sport that originated in Brazil and is a 2 a-side beach volleyball game played with football skills. The game has similar rules to volleyball although the ball can be passed with any part of the body except the arms and hands. It originated on the beaches of Rio de Janeiro in the 1960's and helped legendary Brazilian footballers like Romario and Ronaldinho to develop their skills as youngsters. The game has become increasingly popular across the world and is great fun to play as it is non-contact and can be played by both genders and all ages.

Beach handball

Beach handball is a new outdoor version of the popular Olympic team sport. The rules of beach handball are slightly different to indoor team handball and is played 4 and against 4. The game is played with a rubber ball on a smaller sand court with extra points awarded for spectacular goals.

**RHYL COASTAL FACILITIES
SUMMARY INITIAL FEASIBILITY APPRAISAL**

	Work Areas/Options	Considerations	Progress Report/Update
1.	<p>The Future Aquatic Leisure Offer –</p> <p>Determining the Optimum Location</p>	<p>A number of options have been considered however the principle of a new location on the sea front but near the Town Centre is a key to the future success of the new facility and the regeneration of Rhyl. This is necessary to generate complementary user footfalls; attract commercial investment and enhance the retail development plans.</p> <p>Current Welsh Government Regeneration guidance – prioritises sea-sides and town centres thus the location will be more likely to attract funding.</p> <p>Such a location will:</p> <ul style="list-style-type: none"> • best achieve the vision for an iconic attraction; • be a unique offer - something special; • generate the greatest footfalls - maximising viability; 	<p>Two sites have been reviewed in order to meet with this brief:</p> <ol style="list-style-type: none"> 1. The site of the current Children’s Village – the current buildings are in need of investment and the area is ‘dysfunctional and no longer fit for purpose. However on examination the location: <ul style="list-style-type: none"> - would carry a development cost premium because of the need to build over the underground car park; - would have poor sight lines over the sea owing to the height of the sea defence walls. 2. The preferred location for the wet leisure facility is adjacent to the existing paddling pool and Sky Tower. This location: <ul style="list-style-type: none"> - offers more potential for commercial developments/restaurants including the re-design of the Children’s Village as a possible ‘food quarter’; - will catalyse future investment in the opposite block on West Parade – currently the worst along the front; - will complement the planned investment in the new hotel and restaurant on the Honey Club site; - precludes the requirement and cost of relocating the existing Children’s Village tenants; - offers opportunities to develop beach sports and activities from the new centre ref. APPENDIX E; - is more central with better views in and out; - will allow for the Paddling Pool to become an integral

		<ul style="list-style-type: none"> • attract other funding – regeneration and commercial partners; • stimulate/serve as a catalyst for attracting other investment to the Town Centre/Sea Front. <p>By removing the Aquatic Centre from the current location adjoining the Pavilion, there will be natural benefits i.e.:</p> <ul style="list-style-type: none"> • conflicts – noise, smell, image - will be removed; • the Pavilion can be remodelled to stand-out as a unique landmark with a 'sense of place' and independent image leading to PR benefits; • the Pavilion can be managed more efficiently – e.g. savings in heating and lighting services; • the released land could make way for future development more complementary to The Pavilion i.e. a hotel. 	<p>feature of the new aquatic offer.</p>
<p>Summary conclusion: subject to a detailed feasibility study the preferred location for a new aquatic offer is adjacent to the Children's Paddling Pool in the Town Centre – a catalyst for the further economic regeneration of the coast and town.</p>			
<p>2.</p>	<p>The Future Aquatic/Leisure/</p>	<p>There is a need to:</p> <ul style="list-style-type: none"> • determine the content of the new Aquatic/Leisure offer to inform the design 	<p>The general requirements for a New Aquatic Centre - a replacement Sun Centre include both leisure and more formal waters together with health, fitness, catering and retail outlets are</p>

	Fitness Offer	<p>brief and initial business case feasibility;</p> <ul style="list-style-type: none"> develop the aquatic design – with potential for outdoor offer embracing the paddling pool; check-out ten pin bowls in town/caravan parks – to establish current market supply; carry out a fitness offer feasibility; develop an adventure/fun offer - design a unique family fun leisure feature e.g. clip and climb/adventure; develop the nature of the food and beverage offer – independent of activities and plans for the surrounding area; develop an ‘area plan’ to show the new offer and wider impact on regeneration plans and future commercial deals. <p>The brief is more than just an attractive aquatic and fitness offer it needs to be a unique iconic facility, a statement significantly adding to Rhyl regeneration and attracting new business.</p>	<p>set out in APPENDIX E</p> <p>In response to this, Alliance Leisure have commissioned the preparation of sketch plans and visual images for the design of the Aquatic centre along with indicative costs – APPENDIX C</p> <p>The designs include:</p> <ul style="list-style-type: none"> 25m; learner and fun pools 90-100 station gymnasium and studios Vertigo Climbing experience 10m high clip and climb Spinning and dance studios Café and party rooms <p>Target cost - £10-£12m</p> <p>Other options were also considered for inclusion but dismissed for the following reasons:</p> <ul style="list-style-type: none"> Ten Pin Bowls – there are at least 4 businesses in Rhyl, Prestatyn and Towyn and there is not the business case for more; Indoor wheeled sports – there is insufficient commercial case for another in north wales (this would compete with Deeside). Neither would it make Rhyl unique - better to go for a distinctive offer that enhances the aquatic commercial success.
Summary conclusion: To develop further the design feasibility based on the outline designs shown in APPENDIX C			
3.	Future Options for The Sun	To consider the conversion of the Sun Centre into a Family Fun Centre – ‘an indoor pier’ based on a 10 year operating life plan with a destination play	<p>Conversion Options Appraisal:</p> <ul style="list-style-type: none"> The financial return over the 10 year life will be uncertain;

	<p>Centre</p>	<p>theme to support efficiencies and add to the Rhyl destination offer</p> <p>To consider the demolition of the existing Sun Centre structure and subsequently landscaping the site with pathway links from the existing car park to the Theatre or seek to attract a hotel development or develop new car parking (at a cost of over £500k).</p>	<ul style="list-style-type: none"> • It will be expensive to satisfy current building regulations and deliver commercial success in a deteriorating structure; • It will divert visits from the Aquatic focus; • It would take people away from Town Centre detracting from the business case for regeneration; • It would not improve the negative impact on the Pavilion – unattractive and noisy activities. <p>The recommended course of action is for the demolition of The Sun Centre:</p> <ul style="list-style-type: none"> • The removal will lead to an improved Pavilion. • Whilst there is a cost to take down the facility (£336k), the M&E services are located in the Pavilion and will not be affected • Its retention would detract from the new town centre offer and would fail to enhance the image of The Pavilion
<p>Summary conclusion: To demolish the Sun Centre and make improvements to The Pavilion Theatre.</p>			
<p>4.</p>	<p>Pavilion Theatre Improvements</p>	<p>Members do not wish to close the Pavilion Theatre and there is a need to:</p> <ul style="list-style-type: none"> • explore the options for maintaining the Theatre after the closure of The Sun Centre; • improve the appearance and use of The Pavilion so as to reduce its high annual subsidy. <p>Without The Sun Centre it is possible to create</p>	<p>Alliance Leisure have commissioned the preparation of sketch plans and visual images for improvements to the Pavilion Theatre along with indicative costs – APPENDIX C</p> <p>Feasibility recommendations include building modifications to:</p> <ul style="list-style-type: none"> • deliver a marginal operating surplus over 10 years to finance the required capital investment; • double delegate numbers per event (current average 20); • double room hire occupancy/income; • target 150 business hires pa;

		<p>more of a unique statement and with improvements to the management and ticketing, the development of new conference/business markets would undoubtedly lead to commercial improvements.</p> <p>See a summary feasibility report APPENDIX B</p>	<ul style="list-style-type: none"> • reduce excessive employee costs; • improve the bar profit. <p>The remodelled Pavilion includes: new entrance and façade; better configuration of internal space to increase; commercial viability and conference options; automating ticketing to reduce box office staffing. The costs for this would be in the region of £2.9m</p>
<p>Summary conclusion: The Council to consider a limited investment in The Pavilion to reduce costs/generate additional income e.g. Catering and Conferencing.</p>			
5.	Future Options for Rhyl LC	<p>The financial plans and business modelling for the proposed new Aquatic and Fitness Offer assumes the closure of the existing Leisure Centre Pool.</p> <p>However, further consideration will to be given to alternative uses appropriate for the remaining space and for School/College/local community/sports use.</p>	<p>The Pool is 30 years old and will be nearing the end of its structural life and the future of the building should be determined by the development of the new aquatic and leisure offer.</p> <p>There are also 2 key principles governing the future development of Rhyl LC - any developments should:</p> <ul style="list-style-type: none"> • be considered in context with the new School Plans – taking account of the current plans in respect of sport/PE/halls/drama/physical activity spaces on the new campus – to complement and secure the most cost effective whole site solution; • be designed to not compete with the commercial viability of the new Aquatic and Fitness Offer but to serve school/College and local sport's needs.
<p>Summary conclusion: The future use of the existing Leisure Centre to be determined by the development of a new aquatic and fitness offer together with the investment plans for a re-developed High School.</p>			
6.	Last resort fall back options	<p>In the event that it is not possible to make the business case for a new aquatic leisure offer on the coastal front alternative 'fall-back' options should be put forward.</p>	<p>The best fall-back option would be the use of the Nova as the adventure offer and leisure waters with further short term enhancements and the retention of Rhyl LC Pool as a 'learn to swim' and training facility – recognising its strength as a traditional</p>

			<p>swimming pool.</p> <p>This would be the cheaper option.</p> <p>To create a leisure/flume feature would demand the creation of a tower some 10-15m above the roof line which would be difficult to achieve and would not deliver a financial return.</p> <p>Consideration could be given to reducing the depth of the main pool and converting the learner pool for leisure activity but the costs would be high without the generation of significant additional income.</p> <p>However, there would be no regeneration or commercial funding potential for these improvements.</p> <p>Consideration should also be given to the impact of any changes on the effectiveness of the newly installed commercial bio-mass boiler.</p> <p>Following an initial review dry-side redevelopment options could include:</p> <ul style="list-style-type: none"> • Conversion of the current vacated youth club ground floor into a secondary studio / multi- purpose room; • Conversion of the first floor of the youth club with a mezzanine floor into a fitness extension • Extending the gym further into the current meeting room and conditioning suite, utilising one of the spaces for spinning • Conversion of the current gymnasium into a dedicated soft play facility with associated server for coffee / snacks <p>Estimated cost £900k</p>
<p>Summary conclusion: A fall-back position if the development of a new Aquatic Offer is not feasible should include consideration of The</p>			

<p>Nova as a sea-front leisure attraction alongside the continued operation of the Rhyl Leisure Centre as a swimming pool and fitness centre. This should also be determined by the investment plans for a re-developed High School.</p>		
<p>7.</p>	<p>The Wider Rhyl Going Forward Plan</p>	<p>The Council will also need to make further consideration of:</p> <ul style="list-style-type: none"> • where/how to relocate the skate park to facilitate the new wet leisure offer • options for the development of a new hotel adjacent to the Sun Centre (either in place of Sun Centre or the other side of the theatre), which could potentially raise a capital receipt to help fund programme • how to improve the underground car park, particularly the concept of creating a new vehicle access at the point where the facilities are to be developed rather than the other end of the car park • investment in Crescent Road car park as a car park rather than for redevelopment to compensate for loss of parking by the Sky Tower coupled with increased demand for parking in the area following the creation of new facilities.
		<p>The Wider Rhyl Going Forward Plan and Other Considerations</p> <p>The Rhyl Going Forward Coastal Improvements Delivery Plan recommends future wheeled/adventure activities are located at Marine Lake – a Marine Leisure and Adventure Zone at the western end of the coastal strip - capitalising on the planned developments at the Foryd Harbour; the new cycle/pedestrian bridge; improvements to harbour facilities and new public spaces, linked to Marine Lake and the Marsh Tracks Glan Morfa biking development. Together these facilities create a new destination that will widen Rhyl’s appeal and its offer to visitors.</p> <p>Suggested features include: cycle touring and mountain biking; adrenalin sports – wheeled activities skate parks as well as water based activities; good food operators; visitor centres – information and interactive interpretation; water and adventure activity themes at Marine Lake.</p> <p>This would be the recommended location for a new Skate Park and following consultation with the young people of the area.</p> <p>To maximise the vision and potential for the Rhyl Coastal front there is a case for a single more fit for purpose overarching operational management approach to the leisure offer supported by Rhyl Going Forward – a coordinated approach between Leisure and Regeneration has already proved a successful basis for this feasibility project.</p>
<p>Summary conclusion: To set the development of a new aquatic offer in context with the wider regeneration of the coastal strip with the operational management led by Leisure co-ordinated with Regeneration supporting project development.</p>		

8.	<p>The Nova</p> <p>Longer term plans</p>	<p>Further consideration needs to be given to the options for the Nova – a clear and distinctive/complementary purpose and rationale informing the design of the future offer.</p> <p>It should not be redeveloped in any way that undermines the commercial success of the new Rhyl Front and aquatic offer development.</p>	<p>It is also recommended that consideration be given to the future use and opening hours of the Nova such that the Rhyl and Prestatyn facilities are complementary.</p> <p>An initial review of the facility by Alliance Leisure led to the following conclusions:</p> <ul style="list-style-type: none"> • the facility is generally ‘tired’ and dated; • there is scope to convert the banqueting hall into health and fitness and studio satisfying a local Prestatyn market; • other developments could include: soft play instead of the current restaurant; an uplift to the bar/café; extending the swimming pool deck to create improved seating areas. <p>The views of Prestatyn members have also been previously sought about the principle of a possible private sector led redevelopment of the Nova site for a mix of leisure and residential uses but which would probably exclude a replacement pool. The response was generally favourable although members did express concern about the loss of a local pool from the town.</p>
<p>Summary conclusion: To further review the future operation of The Nova in context with the development of a new aquatic offer in Rhyl</p>			
9.	<p>The Sky Tower</p>	<p>To be retained as a landmark statement building but no longer a ride for health and safety reasons</p> <p>Consideration is to be given to its future uses so it can be developed as a visual attraction. Reference APPENDIX D</p>	<p>The most recent options paper (APPENDIX D) favours the retention of the Tower as a landmark facility.</p> <p>Consideration should be given to how the Sky Tower with a new use can be incorporated into the thinking of the new aquatic building in terms of finance, management and operation.</p> <p>It should be noted that the Tower also attracts an annual income of nearly £8k for telecommunications.</p> <p>However it is estimated that to keep the structure in a safe state of repair will cost in the region of £30k.</p>

			<p>If a ride cannot be reinstalled, it is recommended that the Tower be retained for other purposes or even as a purely visual attraction. APPENDIX C provides some initial ideas some limited financial information.</p> <p>To create a new 'extreme thrill' ride is likely to cost in the region of £600k and the Alliance model would demand at worst, a payback over 7 years in the region of £10k per month requiring monthly 'footfalls' of up to 2k. This could be extended to cover a 10 year period. See APPENDIX C for initial Alliance proposals.</p>
<p align="center">Summary conclusion: To prepare a detailed feasibility study for the Sky Tower commercial options as part of a development plan for a new Aquatic Centre.</p>			

Rhyl Coastal Front
New Aquatic Centre and Pavilion Project Plan

Overall brief

To progress the design development and feasibility study for the new aquatic centre in the proposed location adjacent to the existing paddling pool

1. *To incorporate:*

1.1. *the sustainability of the Sky Tower structure into these plans and develop proposals for its future use/enhancement.*

1.2. *the existing Sun Centre structure being demolished*

1.3. *the development of designs and feasibility for improvements to the Pavilion Theatre.*

2. *To ensure that the above approach is progressed in conjunction with the wider Rhyl Going Forward plans and to ensure the projects impact on those plans,*

To report through the Project Board and Rhyl Going Forward Programme Board

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Project Plan

Stage	Actions	Project Work Programme/Tasks	Timescales	Costs	Cost Exposure
1	<u>Initial Feasibility</u>	1. Initial feasibility undertaken by Just Solutions (JS), Alliance Leisure Ltd (AL) and S&P Architects with report presented to CET in December 2012 2. Approval to proceed sought from Cabinet	October – December 2012 Completed	JS £3,500 AL £15,000 Total Cost - £18,500	£3,500
2	<u>Business Case and Justification</u> Detailed review leading to a decision to proceed to planning application or	1. Principal Developments: a. Establishment of Project Board tasked with delivery b. Confirmation of the key requirements and constraints c. Development of initial statement of requirements – the Design Brief d. Consideration of the procurement method e. Consultations with Planning, Highways, strategic boards, funding bodies, Members and other organisations f. Commission essential works required to make the Sky Tower	January – March 2013	Car park and public realm design £25,000 Other costs business and development plans, design brief and all	£30,000 <i>(N.B. £25K of additional funding is expected from Welsh Government towards feasibility and design for Crescent Road</i>

	<p>abort.</p> <ul style="list-style-type: none"> • Assessment of business case • Evaluation of estimated building costs • Consideration of development risks • Assessment of funding potential: external, 'internal' and commercial 	<p>structurally safe</p> <ul style="list-style-type: none"> g. Commission Geotechnical ground investigation report h. Commission flood risk assessment report i. Undertake a 'services/utilities' appraisal j. Undertake the preparation of a business case analysis for the proposed developments k. Consultations with funders/funding applications <p>2. Complementary Developments:</p> <ul style="list-style-type: none"> a. Undertake an appraisal of all facilities potentially affected by the proposed re-developments together with the preparation of a 'complementary' development plan. This includes a review of the future offer at The Nova and clarification of the new offer at the High School/future of Rhyl LC. b. Implement communications plan engaging members; key stakeholders; community. c. Detailed design for the Crescent Road car park (to be improved to compensate for the loss of parking on the promenade) d. Concept design to create a high quality public realm between the proposed Aquatic Centre and Children's Village, along with improvements/new entrance to underground car park in order to tie all the different elements together <p>Stage 2 Council Decisions to proceed to detailed design up to planning an delivery</p>		<p>appraisals/evaluations - up to £20,000 (Alliance £12,000, Just Solutions £8,000)</p> <p>Geotechnical report and flood risk assessment up to £10,000</p> <p>Total Cost - £30,000 (£55,000 - less external grant £25,000)</p>	<p><i>Car Park improvement and concept design to create quality public realm between the proposed Aquatic Centre and Children's Village and improvement/ new entrance to underground car park)</i></p>
3	<p><u>Detailed Design up to Delivery</u></p> <p>Subject to a positive review of the business case and risk assessment the developments will</p>	<p>1. Principal Developments</p> <ul style="list-style-type: none"> a. Development of Design Brief and utilisation of additional data including ground investigation reports, highways consultation, services appraisal etc. b. Preparation of concept design including outline proposals for structural and building services systems, outline specifications and preliminary cost plan. 	<p>April – September 2013</p>	<p>Development plans and design development £8,000 (Just Solutions)</p> <p>Design costs up to £450,000</p>	<p>In the event that the project does not proceed then DCC will be liable for any costs incurred.</p>

	be prepared for consideration by Planning.	<p>c. Review of procurement route</p> <p>d. Development of concept design to include structural and building services systems, updated outline specifications and cost plan.</p> <p>e. Completion of Project Brief for inclusion within Employer's Requirements</p> <p>f. Application for planning</p> <p>2. Complementary Developments</p> <p>a. Complete funding applications</p> <p>b. Develop new user agreements</p> <p>c. Negotiate complementary commercial developments</p> <p>d. Progress complementary facility developments</p> <p>e. Prepare the brief and test the options for future operational delivery models</p> <p>Stage 3 Key Decisions–</p> <ul style="list-style-type: none"> • Funding Decisions • Council Decisions to proceed to Planning and beyond • Planning Decision 	<p>September 2013</p> <p>December/ January 2013</p>	<p>(Alliance) N.B. Under the terms of the Alliance Leisure framework agreement Alliance will be responsible for the up-front costs, recovering them by way of the financial agreement on completion of the building.</p> <p>Total Cost £458,000</p>	
4	<u>Delivery</u>	<p>1. Construction of new Aquatic Centre</p> <p>2. Re-design and creation of re-formed Sky Tower</p> <p>3. Demolition of Sun Centre</p> <p>4. Improvements to The Pavilion</p> <p>5. Improvements to Public Realm and car parks</p> <p>6. Improvements to The Nova (to be determined following stage 2 review)</p>	2014/2015	<p>£15,000,000 - £18,000,000 Indicative estimates</p>	
5	<u>Opening and Operation</u>	Delivery model to be determined in stage 3	2015/2016		

Rhyl Coastal Facilities

Summary Project Costs and Funding Models

The following is a summary of what would be the indicative project costs.

Facility	Indicative Capital Cost
Aquatic Centre	£10-12m
The Pavilion Theatre	£2.9m
The Sky Tower	£600k
The Sun Centre (demolition)	£337k
To convert Sun Centre site to car park if required	£522k
Rhyl Leisure Centre (fall-back option in the event the Aquatic Centre is not developed)	£904k
	£15.263m

The various funding models will include:

- The framework already established with Alliance Leisure Ltd – this route opens up £13.5 investment potential under the Council’s existing agreed framework;
- Other commercial partners and external grants funding particularly linked to the delivery of the regeneration strategy;
- Gap funding through Prudential Borrowing on the back of revenue savings/growth and generated as a result of, for example:
 - closure of the Leisure Centre Pool and Sun Centre;
 - invest to save/generate an operating surplus in The Pavilion;
 - bringing together management regimes delivering financial savings;
 - other Leisure efficiency savings;
 - other Council service savings – bringing services under the same roof.

N.B. Alliance Leisure have already invested considerable time and resources into the development and market testing of the new development ideas. It is in the Company’s interests to make sure the business planning and designs ensure that the new developments are both affordable and commercially sustainable. ‘Alliance Leisure are fully committed to developing the options as instructed’ Ref Alliance Development Proposal.

Report To: Cabinet

Date of Meeting: 15th January 2013

Lead Members: Councillor Hugh Evans, Cabinet Lead for Economic Development, Councillor Huw Jones, Cabinet Lead for Tourism, Leisure & Youth (including Rural Development)

Report Author: Rebecca Maxwell, Corporate Director: Economic & Community Ambition

Title: Delivering Denbighshire's Town and Area Plans

1. What is the report about?

During 2011/12, Denbighshire County Council conducted consultations to compile Town Plans for the County's seven principal towns, excluding Rhyl. A similar exercise was carried out in Rhyl to develop the Rhyl Going Forward Delivery Plan. The Town Plans were approved by Cabinet between December 2011 and March 2012 and have allowed community needs and priorities to be identified for each major settlement. They have not yet, however, addressed the needs and priorities of smaller and more rural communities. This report sets out the arrangements now in place to broaden the Town Plans into wider Area Plans, confirms the funding allocated to implement the Plan priorities and makes initial allocations from that funding.

2. What is the reason for making this report?

To confirm the process for consolidating and expanding the Town Plans into broader Area Plans that also address the needs and priorities of smaller and more rural communities, and to propose an initial allocation of funding for priorities identified so far.

3. What are the Recommendations?

- a) To note the arrangements that have been established to consolidate Town Plans and broaden them into wider Area Plans, i.e. Town Plan Champions, the Town Plan Co-ordination Group and the associated officer support
- b) To confirm that the funding available to implement the priorities in the Town and broader Area Plans comes from the following sources:
 - Corporate priority funding for 'Improving the local economy'
 - Community funding revenue budget
 - Community capital and match funding capital allocation
- c) To approve the recommendations from the Town Plan Co-ordination Group on initial allocation of funding in 2012/13 and 2013/14.

4. Report details.

Background

- 4.1 During 2011/12, the Council conducted a major exercise to compile Town Plans for the County's seven principal towns, excluding Rhyl, in order to identify community needs and priorities. A similar exercise was carried out in Rhyl to develop the Rhyl Going Forward Delivery Plan. The Town Plans for Corwen, Denbigh, Llangollen, Prestatyn, Rhuddlan, Ruthin and St Asaph were approved by Cabinet between December 2011 and March 2012.
- 4.2 Projects and initiatives were identified in each of the seven Town Plans and prioritised for action over the 5 year life of the Plans. Projects arising from the Town Plans fall into three broad categories:
- a) Those which can be delivered within existing service budgets
 - b) Those which can be delivered wholly or in part using external funding, including grant funding, and
 - c) Those which will only take place within a reasonable timeframe by using the funds from the Council's corporate priorities budget.
- 4.3 A subsequent review in Rhyl is in the process of refining and prioritising individual projects within the overall Rhyl Going Forward Delivery Plan.
- 4.4 Work to date has not yet addressed the needs and priorities of smaller and more rural communities. Further work is required to identify and incorporate those needs into the priority setting and funding process. In line with the approach adopted for the Town Plans, it is recommended that a more strategic approach is now taken to ensure best value is delivered in the allocation of funding to community priorities.

Town Plan Development & Implementation

- 4.5 In order to assist with implementation of the Town Plans, the Leader asked Member Area Groups (MAGs) to nominate lead Members for each of the Town Plans. The lead Members (Town Plan Champions) meet collectively as the Town Plan Co-ordination Group, supported by the Strategic Regeneration Manager, the Head of Housing & Community Development and the Corporate Director for Economic & Community Ambition. The Town Plan Champions are:
- Corwen – Cllr Huw Jones
 - Denbigh – Cllr Gwyneth Kensler
 - Llangollen – Cllr Stuart Davies
 - Prestatyn – Cllr James Davies
 - Rhuddlan – Cllr Arwel Roberts
 - Ruthin – Cllr Huw Hilditch Roberts
 - St Asaph – Cllr Bill Cowie
- Cllr Joan Butterfield represents Rhyl on the Group.
- 4.6 The Cabinet Lead for Economic Development retains overall responsibility for development and delivery of the Town and Area Plans. The Town and Area Plan Champions act in support of this to ensure delivery at local level. The Champions' role is to work with their local MAG to drive forward delivery of the Town and emerging Area Plan priorities, to facilitate effective communication

within the MAG and with other relevant local town and community stakeholders, and to ensure all relevant Town and associated community priorities are captured within the emerging Area Plans.

4.7 The Town Plan Champions are supported by an officer allocated from the Strategic Regeneration Team, whose role is to act as interface between the Champion and Council services, and to support the Champion in driving delivery and in monitoring, reviewing and developing the Town and Area Plans. A description of each role is attached at Appendix 1 for information.

4.8 Two early discussions for the Town Plan Co-ordination Group have been:

a) Development of the Town Plans into broader Area Plans

The Town Plan Co-ordination Group acknowledged that Town Plans represent a good starting point. They allow local community priorities to be identified alongside the Council's strategic objectives and support actions that are important to residents at local level. The Group also recognised that more work was needed to identify and incorporate needs and priorities from surrounding associated communities.

Evidence suggests that cities are important hubs and economic drivers for their surrounding regions. Similarly towns are important resources for their surrounding communities, and Town Plans should develop to reflect this. Consequently, through MAGs, discussions have begun to capture the needs and priorities of smaller and more rural communities.

Local Members have been asked to identify initial issues and priorities for discussion through the MAGs. Town Plans will then be expanded into broader Area Plans centred on the Towns and their associated smaller and rural communities. A similar consultation process will be adopted to that undertaken for the original Town Plans. MAGs will review and recommend Area Plans for formal adoption.

Area Plans will have 3 broad sections – one identifying the vision and priorities for each Town, a second identifying how smaller and more rural communities relate to the Town, and a third setting out any specific needs or priorities for the smaller and more rural communities.

It will be for MAGs to ensure that Area Plans as they are developed appropriately reflect the needs and priorities of all communities covered by the Plan, including smaller and more rural communities. In addition, the Cabinet Lead for Rural Development will act as Rural Champion in the process, ensuring that Area Plans incorporate rural priorities and checking that full and proper consultation has been carried out.

b) Funding for the emerging Town and Area priorities

The Council has previously supported projects identified as being priorities for local communities in different ways through a variety of different grant scheme approaches. Often these were complex and time consuming to administer. It was not always possible to measure the local or strategic benefit of allocations made.

In adopting the Town Plans approach, from 2012/13 the Council identified a £175k annual budget to support implementation of the emerging priorities. Previously the Council also allocated £100k revenue and £480k

capital budgets to provide funding for local and community projects. The proposal is that these are combined into a single source of funding for Town and Area Plan priorities.

For 2012/13 and 2013/14 **combined** this provides a funding pot of £1.275M, taking into account underspend carried forward from 2011/12.

Town Plan Champions have worked with MAGs and their allocated support officer to identify priorities for funding from the existing Town Plans. Attached in Appendix 2 is an initial allocation of funding for early priorities.

Some projects, including larger projects within the Rhyl Going Forward programme, may require more significant funding than is possible from the corporate priority fund identified above. Any such projects will be considered by the Strategic Investment Group, with recommendations for approval made to Cabinet/Council in line with governance arrangements.

As work to identify priorities for smaller and more rural communities, and to confirm priorities and possible funding sources for projects in Rhyl, is still at an early stage, it is not intended to allocate the full funding available at this stage. Appendix 2 contains proposals for around £600,000 of the 2 year funding pot. The remainder is reserved until the broader Area Plans have been finalised to ensure that funding remains available for any additional priorities that may emerge.

- 4.9 In terms of governance, the Town Plan Co-ordination Group also discussed the process for reviewing and amending Town and Area Plans as they develop. The Group agreed that the Plans should be living documents, able to adapt to changing needs and demands. Appendix 3 sets out the process recommended by the Group. Regular monitoring of progress will take place through MAGs and the Town Plan Co-ordination Group, and will be included within performance reports to Scrutiny/Council on Council corporate priorities.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 The Corporate Plan identifies vibrant and economically active towns and communities as essential components of a strong local economy. The allocation of County Council funding to Town and Area Plans and the Rhyl Going Forward projects will support implementation of the corporate priority, Improving the Local Economy and will also assist the Council in meeting its ambition of being Closer to the Community.

6. What will it cost and how will it affect other services?

- 6.1 It is proposed that for 2012/13 and 2013/14, Town and Area Plan priorities are funded from a budget line encompassing a number of separate existing allocations as follows:

Revenue budget of £175,000 per annum for 'improving the local economy' corporate priority for 2012/13 and 2013/14	£350,000
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Revenue budget of £100,000 per annum for community projects in 2012/13 and 2013/14	£200,000
Capital allocation for community capital projects and match funding for 2012/13	£480,000
Carry forward underspend from 2011/12	£245,000
	£1,275,000

6.2 Decisions on 2013/14 capital programme have not yet been made. A second allocation of £480k capital has therefore not been assumed at this point.

6.3 It is intended that Rhyl Going Forward projects will be largely funded either from the £175k corporate allocation for Regeneration made in 2011/12, or for larger scale projects, through specific proposals considered by the Strategic Investment Group for decision by Cabinet. Some call may however be required from the Town and Area Plans funding allocation outlined above. Further detail on this will be available once the prioritisation of projects within the Rhyl Going Forward programme has been completed.

7. What consultations have been carried out and has an Equality Impact Assessment Screening been undertaken?

The Town Plan Co-ordination Group has discussed the proposals outlined in this report. The previous Town Plans were subject to extensive consultation and the same will be expected as the broader Area Plans are developed.

8. Chief Finance Officer Statement

The Town Plans form an important part of the Council's strategy for getting closer to the community and should be appropriately funded. This paper contains a reasonable way of allocating the available funds.

9. What risks are there and is there anything we can do to reduce them?

The risks associated with implementation of the Town Plans are:

- Failure to fund identified priorities
- Uncoordinated spend on projects with little or unclear strategic or local benefit
- Failure to address the needs and priorities of smaller and more rural communities

These risks are addressed through the process outlined in this report.

The Town Plan priorities have been reviewed and re-confirmed by Town Plan Champions and MAGs. Members representing smaller and more rural communities have been asked to start identifying needs and priorities for their areas as the first stage of broadening the Town Plans into wider Area Plans. Funding has been identified and a process of prioritisation is in place to allocate funding to specific projects in 2012/13 and 2013/14. Funding will be managed across the two financial years to allow time for priorities from smaller and more rural communities to emerge.

The risk of not delivering the actions identified for completion in the early years of the Town Plans has been reduced by creating the roles of Town and Area Plan Champions to drive the delivery of the priorities identified within the relevant Town and Area Plans and by allocating budgets to enable priority actions to be funded which otherwise could not be delivered through existing service budgets.

10. Power to make the Decision

Section 2 of the Local Government Act 2000 gives the Council the power to do anything which it considers is likely to promote or improve the economic, social and environmental well-being of the area.

Role of the Town & Area Plan Champion

Context for the role

To deliver its strategic aim of being an excellent council which is close to its community, the County Council invited the town and community councils and the businesses, community and voluntary sectors in each of its main towns and the smaller outlying communities which relate to them to join together to develop town and community plans. These are living documents which will be subject to regular reviews and which set out

- the current situation in the towns and associated communities
- the key challenges and opportunities which they will face over the next decade
- a vision for each town which will provide it and its associated communities with a sustainable future, and
- realistic and achievable actions which will deliver that vision.

Purpose of the role

To drive delivery of the priorities identified within the relevant Town and Area Plan

To facilitate effective communication within the Member Area Group and with other relevant local town and community stakeholders in relation to the Town and Area Plan

To lead the process for identification, review and development of emerging priorities within the relevant Town and its associated Communities

Accountabilities

- a. Contribute towards the development of corporate policy in relation to Town & Area Plans through participation in the Town & Area Plan Co-ordination Group
- b. Communicate corporate developments relating to Town & Area Plans to the relevant Member Area Group
- c. Feedback opinions expressed at the Member Area Group to the Town And Area Plan Co-ordination Group and to the Cabinet Lead Member for Economic Development in whose portfolio the responsibility for Town and Area Plans lies
- d. Receive performance reports in relation to the delivery of Town & Area Plan priority projects from the Single Point of Contact Officer and present these to the relevant Member Area Group on a quarterly cycle
- e. Ensure that matters of concern drawn to the attention of the Town & Area Plan Champion by the Single Point of Contact Officer are raised with Heads of Service, members of the Corporate Executive Team, Cabinet Lead Members or in other corporate fora as appropriate

- f. Act as the principal elected member contact for the relevant Town & Area Plan for town and community councils, business representative groups, third sector organisations and members of the community
- g. Act as an advocate for Town & Area Plans, reporting progress to town and community councils, business representative groups and other community organisations
- h. Contribute to corporate processes for allocating funds from budgets assigned to corporate priorities and external funding to support priority actions identified in Town & Area Plans
- i. Arrange for a substitute to attend the Town Plan Co-ordination Group in cases of unavoidable absence

Role of the Town & Area Plan Single Point of Contact Officer

Context for the role

To deliver its strategic aim of being an excellent council which is close to its community, the County Council invited the town and community councils and the businesses, community and voluntary sectors in each of its main towns and the smaller outlying communities which relate to them to join together to develop town and community plans. These are living documents which will be subject to regular reviews and which set out

- the current situation in the towns and associated communities
- the key challenges and opportunities which they will face over the next decade
- a vision for each town which will provide it and its associated communities with a sustainable future, and
- realistic and achievable actions which will deliver that vision.

Purpose of the role

To act as Single Point of Contact Officer for a designated Member Area Group, supporting the relevant Town & Area Plan Lead Member to drive the implementation of Town & Area Plan priority projects, monitoring performance and updating the contents of plans

Accountabilities

- a. Respond to enquiries and communicate comments to the appropriate services about Town & Area Plans from councillors, town and community councils and business representative groups and other community organisations
- b. Support the Town & Area Plan Champion for the designated Member Area Group to perform their role effectively
- c. Monitor delivery of Town & Area Plan priority projects, update the performance report make available and provide the necessary support to the Town & Area Plan Champion to comply with the frequency agreed for the quarterly reporting cycle
- d. Attend Member Area Group meetings to present performance reports progress and to elicit requests for amendments to the contents of Town & Area Plans
- e. Update the contents of Town & Area Plan in accordance with the arrangements agreed by the Town Plan Co-ordination Group
- f. Support the Champion in driving the implementation of Town & Area Plan priority projects through regular liaison with the service or organisation responsible for delivery of the action
- g. Manage the delivery of specific Town & Area Plan priority projects falling within the remit of the Council's Strategic Regeneration team or where the responsibility for project leadership would otherwise be unclear

Appendix 2

Proposed initial allocation of corporate priority funding to early priorities

Project	Total cost inc match funding	Contribution from corporate priority		Notes
		2012/13 & 2013/14	Later years	
	£000	£000		
Prestatyn				
Shopping precinct makeover - design	30.0	30.0		
Shopping precinct makeover - implementation	200.0	20.0	180.0	
Central beach arcade makeover - design	30.0	30.0		
Central beach arcade makeover - implementation	200.0		200.0	
New Sailing Club - design	50.0	50.0		
Contribution to construction of new Sailing Club	250.0		50.0	Possible support from Gwynt y Mor community fund
Environmental improvements at the Hillside Gardens and Shelter	20.0	15.0		Town Council & Open Space Commuted Sums to match fund. Also enables funds to be drawn down for Green Links project supported through Gwynt y Mor tourism fund
Sub-total	780.0	145.0	430.0	

Project	Total cost inc match funding	Contribution from corporate priority		Notes
		2012/13 & 2013/14	Later years	
	£000	£000		
St Asaph				
Install addn'l town trail board	2.0	0.8		Cadwyn to match fund
Red Hill steps - install handrail & address root damage	10.0	10.0		
Contribution to construction of new community centre	500.0	50.0		Welsh Government funding already secured. Potential for Cyfenter funding
Lower St toilets - makeover & improved security	50.0		50.0	
Contribution to construction of cathedral visitor centre	300.0		50.0	
Sub-total	862.0	60.8	100.0	

Project	Total cost inc match funding	Contribution from corporate priority		Notes
		2012/13 & 2013/14	Later years	
	£000	£000		
Rhuddlan				
Finger posts to the Castle & Twt Hill	3.0	1.2		Cadwyn to match fund
Install addn'l town trail board	2.0	0.8		Cadwyn to match fund
Installation of illumination for wooden sculpture of knights in Tan yr Eglwys Rd	3.0	1.2		Cadwyn to match fund
Installation of interpretation at ditched defences in Gwindy St	2.0	0.8		Cadwyn to match fund
Marsh Rd pavement - design	4.0	2.0		Cadwyn to match fund
Marsh Rd pavement - construction	25.0	25.0		
Dropped kerb between Parliament St & King's Head car parks	1.0	1.0		
Contribution to design of changing rooms at Admiral's Playing Fields	50.0	15.0		Cadwyn to match fund
Contribution to construction of changing rooms at Admiral's Playing Fields	250.0		50.0	
Sub-total	340.0	47.0	50.0	

Project	Total cost inc match funding	Contribution from corporate priority		Notes
		2012/13 & 2013/14	Later years	
	£000	£000		
Denbigh				
Design guide	5.0	2.0		Cadwyn to match fund
Implementation of design guide recommendations for street furniture etc	50.0		20.0	Cadwyn to match fund
Chapel quarter feasibility study	10.0	3.0		Cadwyn to match fund
Install addn'l town trail board	2.0	0.8		Cadwyn to match fund
New toilets at Lower Park	50.0	50.0		
Gap funding for eye sore sites	100.0		100.0	
Rhyl Road & Barkers Well Lane congestion - traffic study	30.0	30.0		
Rhyl Road & Barkers Well Lane congestion - implementation of study recommendations	200.0		200.0	
Contribution to restoration of Gwasg Gee building	1300.0		50.0	
Contribution to conversion & fitting out of museum	600.0	50.0		
Sub-total	2347.0	135.8	370.0	

Project	Total cost inc match funding	Contribution from corporate priority		Notes
		2012/13 & 2013/14	Later years	
	£000	£000		
Ruthin				
St Peter's Sq. channelization of traffic – detailed design	30.0	30.0		
St Peter's Sq. channelization of traffic – implementation	200.0		200.0	
Art Trail	200.0	20.0		
Town Marketing Strategy	12.0	5.0		Potential for Cadwyn to match fund
Sub-total	442.0	55.0	200.0	

Project	Total cost inc match funding	Contribution from corporate priority		Notes
		2012/13 & 2013/14	Later years	
	£000	£000		
Corwen				
Railway Phase II extension feasibility study	90.0	40.0		Rural Development Plan Lead Body & Railway to match fund
Contribution to Phase I station platform	100.0	20.0		Potential for Cyfenter to match fund
Gritter garage makeover	10.0	10.0		
Improvements to derelict land near Royal Oak	10.0	4.0		Cadwyn to match fund
Survey of community buildings	10.0	3.0		Cadwyn to match fund
Contribution to future community building	500.0		50.0	
Sub-total	720.0	77.0	50.0	

Project	Total cost inc match funding	Contribution from corporate priority		Notes
		2012/13 & 2013/14	Later years	
	£000	£000		
Llangollen				
Contribution to pre-school building		30.0		Potential for Cyfenter to match fund
Contribution to Sports Association car park		30.0		
Contribution to Chain Bridge restoration	180.0	20.0		Town & Community Councils & Heritage Lottery to match fund
Contribution to stimulate construction of business units	1200.0		200.0	
Sub-total	1380.0	80.0	200.0	

Total for initial allocations		600.6		
Balance for emerging priorities		674.4		

Notes:

1. The organisation which will be responsible for leading each of these individual priorities is identified in the Town Plans which have been approved previously.
2. The allocations proposed for those projects which would be led by community organisations are conditional upon the receipt of a satisfactory business case from the lead organisation, confirmation of the availability of the match funding required to deliver the project, and confirmation that the project can be delivered during the timeframe for which the funding is available.
3. The initial allocations will invariably include some feasibility and design activity without which project implementation could not proceed. The allocations indicated for future years for the relevant projects are included to demonstrate how these might subsequently be implemented and to provide a context for this early spend and do not represent commitments at this stage. This also applies to the allocations indicated for future years for other projects which are unlikely to be able to draw down any funding before 31st March 2014.
4. Priority actions which are to be delivered from existing service budgets or wholly funded by other partners, or which would involve the investment of larger amounts of capital funding by the County Council are not included in this appendix. Progress with the priority actions which fall into any of these categories will be reported to Member Area Groups on a regular basis using the format for managing the performance of Town & Area Plans agreed previously by the Town & Area Plan Co-ordination Group.

Changes to Town & Area Plans

Background

The Town and Area Plans are intended to be “living” documents which may need to be updated for a number of possible reasons and these could include,

- Changes to the factual information in the Plan including information about projects which are not being led by the County Council
- Projects being completed
- Changes in the wider economy which will affect the challenges and opportunities faced by the communities covered by the Plan
- A desire to change the agreed vision for the Plan
- Changes to the geographical area covered by the Plan
- A change to the format of the Plan (currently a standard format agreed by Communities Scrutiny Committee), and
- New projects being introduced

The process for agreeing changes needs to be proportionate to their scale and impact.

Process for approving changes to Town and Area Plans

- a. Amendments to factual information and updates about completed projects will be made by officers and drawn to the attention of the relevant Member Area Group in accordance with the cycle for reporting Plan performance
- b. Changes affecting the challenges and opportunities facing the communities covered by a Plan and to the vision for the Plan will be approved by the relevant Member Area Group
- c. Changes to the geographical area covered by a Plan and to the format of a Plan will be approved by the Town Plan Co-ordination Group
- d. The introduction of new projects to be delivered from existing service base budgets will be approved by the Member Area Group subject to support from the relevant Head of Service
- e. The introduction of new projects requiring support from the budget for the corporate priority for “Improving the local economy” will be approved by the relevant Member Area Group following consultation with the relevant Head of Service, but with the allocation of funding to be considered by the Town Plan Co-ordination Group before approval by Cabinet
- f. Completely new Plans will follow the process adopted previously for developing Town Plans with the draft Plan considered initially by the relevant Member Area Group and approved by Cabinet, following consultation with town and community councils, business representative organisations and the wider community. (NB: This is the approach that will be adopted for broadening the Town Plans into wider Area Plans.)

Report To: Cabinet

Date of Meeting: 14th January 2013

Lead Cabinet Member: Councillor Julian Thompson-Hill

Lead Officer: Paul McGrady, Head of Finance & Assets

Title: Pension Auto Enrolment (Employer Responsibilities & Cost Implications)

1. What is the report about?

The Pensions Act 2008 requires employers to start automatically enrolling eligible staff into qualifying pension schemes. Employers now have a duty to automatically enrol eligible workers between the ages of 22 and State Pension Age into a qualifying workplace pension scheme. Automatic enrolment means instead of choosing whether to join a workplace pension scheme provided by their employer, all eligible workers will have to actively decide to cease membership, if for any reason they feel this is not a suitable form of personal saving for their situation.

Auto enrolment has started with larger employers from 1st October 2012 and media advertisements have now commenced to inform the public that if **they are not already** in a qualifying scheme then they will subsequently be enrolled by their employer. Denbighshire has to commence auto enrolling staff with effect from **1st May 2013** and this is referred to as our “staging date”, though the regulations allow for a transitional delay to be applied to this date.

2. What is the reason for making this report?

This report sets out the Council’s proposed response to these requirements, provides implementation options and recommendations that cabinet is requested to approve.

3. What are the Recommendations?

- 3.1 To begin auto enrolling all new staff or those who become eligible into the relevant pension scheme from 1 May 2013.
- 3.2 Delay auto enrolling staff who have previously decided not to join the relevant scheme until 1 October 2017
- 3.3 To note the cost implications associated with the implementation of the new regulations.

4. Report details

The Government wants to universally increase pension take-up as it is estimated that 14 million workers in the UK are not currently contributing to a workplace pension and at least 7 million are not saving enough to meet their retirement aspirations.

From October 2012, employers are legally compelled to enrol eligible jobholders into a qualifying pension scheme. An eligible jobholder is someone aged between 22 and the state pension age and who earns over £8,105 per annum. Elected Members are excluded. The Local Government Pension Scheme (LGPS) and Teachers' Pension Scheme (TPS) both satisfy the eligibility conditions.

Under auto enrolment regulations, employers can apply a transitional delay to full implementation until 1st October 2017. The delay would apply only to those who are eligible jobholders on the 1st May 2013 staging day. Based on current statistics, there are 467 people in the Council who are eligible jobholders but most have elected to opt out. Less than 2% of the eligible job holders will become eligible in the next year because of their age. The transitional delay means that the council would not automatically enrol them until 2017 – though the employees have the option to join either the LGPS or TPS at any time.

Employees who become *new* eligible jobholders after staging day will be enrolled at the time of eligibility and will not be delayed until October 2017. This will mean new employees or those who become eligible through their age or earnings will be automatically enrolled at some point from May 2013 onwards.

At a national level, encouraging people to make provisions for their retirement by auto enrolling them into a pension scheme has merit. However, the financial implications for employees who do not currently contribute to a pension scheme should be considered in the context of contributing between 4.4%-5.5% on average from their pay (after tax relief) in a period of pay freezes. Therefore some may feel this is an unaffordable investment and will continue to opt-out.

Auto enrolment will have financial implications for the council at a time when budgets are already under pressure. The employer's current service cost is 11.8% of gross pay for those in the LGPS and 14.1% for those in the TPS. It is difficult to be precise about what the additional cost to the council will be as a result of auto enrolment – it depends on how many people decide to remain in a pension scheme once enrolled and how much they earn – but applying the transitional delay will reduce the immediate financial impact.

The application of the auto enrolment regulations also has implications for non-teaching relief and casual staff, though the full impact and the council's proposed response are still being assessed. Historically, people with a contract of employment of less than three months would not be allowed into the LGPS. The rules around this have changed from 1st October 2012 and relief/casual employees can now *elect* to join the LGPS. As a consequence,

all relief/casual staff have recently been written to (around 1,200 people) asking if they would like to join the LGPS and around 40 have elected to do so. The LGPS rules though do not allow for relief/casual staff to be *automatically enrolled* if their employment contract is less than three months. However, to complicate matters, auto enrolment regulations do still apply if a casual/relief employee becomes an eligible jobholder by virtue of earnings and/or age. This potentially could mean that each time they work the council would have to take action to assess whether the people are eligible for auto enrolment and if they are, to make provision to auto enrol into a scheme other than the LGPS, or to invite people to join the LGPS.

The administrative burden around this is potentially quite significant and options are being considered to mitigate the impact. This includes reviewing the nature of relief/casual contracts or applying a period of postponement of up to 3 months (as allowed under the regulations) to assess eligibility over a longer period rather than decisions being based on an individual instance of employment.

When an employer automatically enrolls an employee, the employer **must not** mention any option of how to opt out of the scheme (the Pensions Regulator has stated that this could be seen as an inducement not to join a scheme and could leave the employer liable to financial penalties).

It is expected though that a number of auto enrolled employees will opt out of the scheme. The Department for Work & Pensions (DWP) has estimated that nationally between 20-40% of people will opt-out. The National Association of Pension Funds has estimated that figure to be 33%. DWP research found that 65% of respondents would definitely or probably stay enrolled, whilst 20% would probably or definitely opt out. The majority of corporate financial advisors predict almost 33% would opt out.

It is impossible to forecast accurately what the additional cost of auto enrolment will be, though it is clear that by applying the allowed transitional delay, the council will defer the potential full cost for four years.

In summary, the action taken to date and proposed is as follows:

Date	Action
October 2012	LGPS Rules changed – 1,200 casual/relief employees invited to join the LGPS
May 2013	Staging Date – Implementation of Auto Enrolment
May 2013	Apply transitional delay to those who have already opted out of a pension scheme
May 2013	Inform employees to whom transitional delay has been applied, making clear they can opt into a pension scheme if they so wish
From May 2013	Auto enrol new eligible employees
October 2017	Auto enrol employees to whom transitional delay has been applied

The Council also provides payroll services to other organisations that will also be impacted by the change in regulations. Appendix A details these.

5. How does the decision contribute to the Corporate Priorities?

The decision is a response to a change in employment regulations.

6. What will it cost and how will it affect other services?

Auto enrolment will increase employer's pension contributions as more people become members of either the Local Government or Teachers' scheme. It will add to employment costs and therefore all services, including schools, will be affected. Applying a transitional delay will defer some of the increased costs. The total estimated cost to the Council of this scheme is around £580k per year from 2017

Appendix B details the likely financial implications.

The council's payroll system is being developed to facilitate auto enrolment and the costs are likely to be £25-£30k. There will be additional administrative issues associated with auto enrolment but the additional workload will be absorbed without additional cost.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?

The aim of the scheme is to get all staff to pay into a pension. This will broadly have a long term benefit to all staff. This is offset by the short term disadvantage of having to contribute to the pension fund. All relevant staff already can become part of the Council's pension scheme if they want. Likewise all staff can opt out at any time under the new proposals. This means that should any person feel disadvantaged they can choose not to participate. Research shows that relatively high numbers of staff (typically 66%) will remain in once auto enrolled.

Anyone affected either has been or will be written to explaining the changes and inviting them to join voluntarily.

8. What consultations have been carried out?

Consulted with other Local Authorities in order to obtain feedback on decision making taking place elsewhere.

Consultations have taken place with external employer organisations using the Council's Payroll Service.

9. Chief Finance Officer Statement

The full impact of the changes in pension regulations can only be estimated at this stage. The actual cost will depend on the numbers of people either electing to join or being auto enrolled into pension schemes and their earnings. The ongoing additional costs that result from the changes will be a pressure for services.

10. What risks are there and is there anything we can do to reduce them?

The risk to the Council of not complying with the legislation is that it could be liable to fines by the Pensions Regulator (max fine £10,000 per day)

11. Power to make the decision

Operates within Statutory Government Legislation (Pensions Act 2008)
Regulations allow a transitional delay and postponement period, so employer decision required.

Appendix A

Other Organisations using the Council's Payroll Service

The following organisations use the council's payroll service:

Clwyd Leisure, Denbighshire Voluntary Agency, Bodelwyddan Castle Trust, Scala, Menter Iaith, Cadwyn Clwyd, ECTARC, Benefits Advice Shop, Denbighshire Enterprise Agency, Town Councils , West Rhyl Young People

The council complies with auto enrolment regulations by using only the Local Government and Teachers schemes and therefore does not need to seek an alternate pension provider. Other employers using the council's payroll service would need to find another pension provider, as in most cases their staff are not eligible to join either of the council pension schemes. If these other organisations choose to delay auto enrolment until 1st February 2016 (a different date from the council's 2017 date because of the size of the organisations), then the council would be able to continue providing payroll services, at least until that date. At present most of the organisations are indicating that they would be delaying and would like to continue using the council's payroll services.

To provide a service where the Council has to offer multiple pension providers to the other organisations would increase the administrative burden and would incur an additional cost because specific programming work would be needed to accommodate the requirements.

Appendix B – Estimated Costs of Scheme

In 2011/2012 the council paid the following employer pension costs:

- Local Government Pension (inc past liability charges) £12.5m
- Teacher's Pension £4.7m

The employer's contribution to the LGPS is expected to rise by 0.6% from 2014/15 as a result of the latest actuarial review of the pension fund. This will increase the employer's costs by £60-£65k per year.

Some employees have more than one employment with the council, therefore shown below are the number of 'employments' in each scheme.

Details	Number of Employments
Teachers Pension Scheme	1,176
Local Government Pension Scheme	3,390
Number Opted Out	821
Relief / Casuals (not previously allowed in)	1,310

Potential Impact With No Transitional Delay

The table below shows an illustration of the potential annual additional cost if people who have currently opted out were auto-enrolled – i.e. if transitional delay is not applied. Based on assumptions about numbers of people remaining in the scheme and their average earnings, then potentially employer's costs could increase by £548k per year. This figure is by no means certain. Eligible jobholders and their pensionable pay figures are correct as at the end of November but could change and the assumption that 2/3rd (66%) of eligible job holders stay in the scheme is based purely on external research.

Opt Out Group	Current No.	Eligible Job Holders	2/3 rd Remain	Average Pay	Employer's Contribution %	Additional Pension Cost
Local Govt	708	412	275	£16,063	11.80%	£521,244
Teacher	36	34	23	£27,975	14.10%	£90,722
Teacher (Relief)	77	21	14	£19,508	14.10%	£38,508
Total	821	467	312			£650,474
					Saving NI	(£101,917)
						£548,557

The impact of the above across the main service sectors would be as follows:

Service Area	Gross Cost	NI Saving	Net Cost
Schools	£325,749	(£51,714)	£274,035
Social Care	£72,886	(£11,443)	£61,443
Other Services	£251,839	(£38,760)	£213,079
Total	£650,474	(£101,917)	£548,557

If transitional delay is applied, the council is obliged to write to all of the people above to inform them. The regulations require that at that point people are reminded about the opportunity to opt into a scheme. It is difficult to estimate how many employees will opt in and therefore to calculate the impact. However, the range may be as follows:

Range	20%	40%	66.7%
Schools	82,382	164,764	274,035
Social Care	18,433	36,866	61,433
Other	63,198	126,396	213,079
Total	164,013	328,026	548,557

Given that the majority of people affected have previously opted out of joining a pension scheme it might be assumed that the number electing to join would be at the lower end of the range, between 20-40%. Only a small number (less than 2%) will become eligible by their age and the number of relief casual staff either electing to join or becoming eligible for auto enrolment is thought to be low. The planning assumption for 2013/14 should therefore be in the range of £164-£328k.

Report To: CABINET

Date of Meeting: 24th January 2013

Lead Cabinet Member: Councillor Julian Thompson-Hill

Lead Officer: Paul McGrady, Head of Finance & Assets

Title: 2013/14 Budget

1 What is the report about?

The report details the proposed budget for 2013/14.

2 What is the reason for making this report?

The Council is legally required to set a balanced and deliverable budget before the start of each financial year and to set the resulting level of Council Tax to allow bills to be sent to residents.

3 What are the Recommendations?

3.1 That Cabinet supports the budget proposals for 2013/14 as shown in the appendices, and recommends accordingly to full Council.

3.2 That Cabinet recommends the resulting 2.0% increase in the level of Council Tax for 2013/14 to full Council.

4 Report details

4.1 The Welsh Government released its final settlement in mid-December. This showed the grant that each Council would get. Denbighshire's grant increased by 1%. This is lower than expected as, at the last minute, the minister announced a £10m top slice of the local government settlement. This removed £300k from Denbighshire's grant.

4.2 The final settlement showed a cut in our capital funding. The funding has been cut by 15% (equivalent to around £900k) to £4.867m. This is a significant loss on top of the 27% cut we had over the previous two years. The general capital funding is what we rely on to carry out Health and Safety works, major maintenance etc – basically the work that allows us to keep our buildings going.

Budget Assumptions

4.3 The outlook for public finance is still poor for the medium term. It is likely that low settlements and a difficult financial situation will continue beyond the term of the current three year plan. This means it is very important for Members to consider a medium to long term view on all proposals for savings and not try for easy options that provide short term solutions.

4.4 The MTFP had originally assumed there would be cost increases in a number of areas. It is always difficult to accurately forecast inflationary changes in so many areas of expenditure and the Council always has to be prudent with its assumptions.

Fuel and energy cost increases

- 4.5 The original assumption for the increase in energy costs was 15%, based on previous experience plus the rises that had been announced in the autumn for domestic supply. However, the best information we have currently suggests that the cost of our energy contracts will rise by around 5%. However, we were able to reduce our consumption significantly during last year as well, so the overall impact on the budget will be minimal. It is also assumed that the rate of Carbon Tax paid will increase.
- 4.6 Given the highly volatile nature of the energy market, the MTFP will continue to assume higher rises in future years and this will then be amended as we work through the budget process each year.

Pay and Single Status

- 4.7 An assumption has been made for an increase in staff pay for 2013/14. The increase was assumed in the light of a 3 year pay freeze, inflation running around 2.7%, increases in pension contributions and reductions in various welfare payments.
- 4.8 The poor economic climate and the recent announcement by the Chancellor that public sector pay increases should be limited to an average of 1%, coupled with ongoing poor financial settlements for English Councils mean a significant pay rise is less likely. Pay is negotiated at a UK level for Councils. This means that English Councils will probably push for a very low increase in pay costs. The budget assumes a pay increase at just over 1%.
- 4.9 It will be several months before we are any clearer on proposals for pay. We should therefore retain the assumption within the budget. If the rise is slightly above 1% we would have funds to pay this. If the rise was slightly below 1% it would create a saving which would have two consequences – firstly would generate cash as we would have a budget allowance, but no expenditure and secondly would form additional savings for 2014/15. This mirrors the arrangements we had going into 2012/13. Any remaining unspent pay budget for either year will generate an underspend which will be transferred into the strategic investment reserve. It has been assumed that any unallocated budget will then be rolled into future years to mitigate future pressures.
- 4.10 The agreement on single status brought 2 financial burdens to the Council's budget. The first was a one-off increase in pay costs as a number of staff were moved onto higher grades, the second was the 'incremental drift' of these grades. That means staff would have been appointed at the bottom of the grade and over time will move up to the top of the grade. We set up a budget to pay for this 'drift' and it is due to be fully allocated to services by 2014/15. In addition, the Council is currently defending an equal pay claim by a number of staff that allege discrimination over a significant period. Should the Council be unsuccessful in its defence then it will be expected to pay out a significant amount of money to claimants. A provision has been set up specifically for this.
- 4.11 The Council is also currently negotiating with the Trade Unions to remove the essential car user allowance from staff. The 2013/14 budget assumes that this

will be agreed and phased in over the year saving £200k in the year with further savings in 2014/15.

Other Inflationary Pressures

4.12 It is assumed there will be small percentage increases in business rates for council properties and insurance premiums and an inflationary uplift in the cost of the Council's PFI contract. These total £160k.

4.13 It is assumed that services will absorb any other inflationary pressures unless these were specifically raised at service challenges.

Schools protection

4.14 The Welsh Government expects that schools will be protected from savings. The Council must passport to schools an amount equivalent to 1% above the settlement the WG received. For Denbighshire that means that schools will receive a budget increase of around £1,237k (2.08%). From this, they must absorb any increases in staffing costs – single status, pay awards etc. The council also had to protect schools last year when they received around £1.2m. It is likely this protection will continue into 2014/15.

Social Services Protection

4.15 In addition to the protection for schools, it is expected that the Council protects and increases Social Care budgets by 2.08% (£958k) for this year only. From this, the service must absorb pay rises, care home fee rises and other pressures.

4.16 The 2011 census indicated that there were significantly less people over the age of 85 than the Council was receiving funding for. This is likely to lead to a large cut to the Council's funding for 2014/15. Discussions are underway with the Welsh Government, but for now, the Social Services departments are assuming the additional funding will be available for one year only and will be lost in 2014/15.

4.17 Adult Social Services and Children's Social Services had intended to make savings for 2013/14 because the protection was not formally announced until December. The services will still therefore be expected to make efficiency savings, but these will then be reinvested back into the service.

4.18 Protection for Social Care and Education puts additional strain on other services in the Council as they have to find additional savings to compensate for this. For 2013/14 some £102m (56%) out of our budget is ringfenced and protected.

Council Tax Support Scheme

4.19 Under the UK Government's welfare reform agenda, Council Tax Benefit has been abolished and replaced with 'Council Tax Support'. This has involved transferring a sum of money to Councils which is approximately 10% less than the level previously provided. The WG then designed a national scheme which Councils will approve by the end of January. The Council will receive around £8.3m in 2013/14 which is about £1m less than it will spend in 2012/13.

4.20 In addition to this loss the Council will have to send Council Tax bills to residents who may never have paid Council Tax before. It is anticipated that a number of these will not pay and therefore additional collection costs will be incurred and there may be an increase in bad debts. The Council's bad debt provision will be increased by £200k and it has been assumed that the collection rate will drop by 0.5%.

Budget Workshops

4.21 Two rounds of budget workshops were held in November and December to which all members were invited. Three areas were considered – savings, priorities for investment and possible Council Tax levels.

Savings

4.22 Services have proposed just under £3.1m of savings (shown in Appendix 1). These were examined by members in detail at Service Challenges and were presented to members at budget workshops in November. All savings have been deemed to be deliverable and no objections have been raised by members to any proposals.

Priorities

4.23 In September members approved the Corporate Plan along with a series of projects. In the budget workshops members were then asked to consider how to allocate priorities funding to these projects. The proposed split is shown below :

Priority	£k	Purpose
Modernising Education	200	Capital Investment
Highways	100	Capital Investment
Economy	160	To be confirmed
Modernisation	140	To be confirmed
Social Care	400	Capital Investment

4.24 These funds will be allocated to projects from the Corporate Plan and on the back of full business cases.

Council Tax

4.25 Members also gave an indication of the sort of Council Tax increase they wanted to see. Members considered a number of options as shown below. The original assumption for financial planning purposes was for a 2.75% rise. The range of responses from the groups was for Council Tax to be at or below the rate of inflation for the medium term and that for 2013/14 the broad steer was that it should be between 2% and 2.5%, preferably at the low end of this range.

Increase %	Income £000k
0	0
1	400
2	800
2.75	1,100
3	1,200
4	1,600

- 4.26 The original budget assumption had been for a rise of 2.75%. However increased savings from renegotiated contracts allowed this to be reduced to 2.5%. The Fire Service levy has been confirmed at £70k below the planned level and a reduced assumption for pay rises reduces pressures by £130k. Taken together these save the equivalent of 0.5% Council Tax making 2.0% achievable.
- 4.27 The base assumption for the future is that Council Tax will rise at around 2% each year.

5 How does the decision contribute to the Corporate Priorities?

Effective management of the council's revenue and capital budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities.

6 What will it cost and how will it affect other services?

Appendix 1 shows agreed savings. There were also a number of grants transferred into the settlement and these are shown in Appendix 2. Appendix 3 shows the full Council budget and the implications of the proposals within this report. The net budget has risen from £177.4m in 2012/13 to £190.7m in 2013/14. This is mainly due to the transfer of Council Tax Benefit (£8.4m) from the UK Government and grant transfers of £3m from the Welsh Government.

7 What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?

Individual services are responsible for carrying out impact assessments on their savings proposals contained within the budget.

8 What consultations have been carried out with Scrutiny and others?

Service challenges were held with each head of service and each challenge included representatives from scrutiny committee and Cabinet. Corporate Plan and Budget workshops were held with members in September, November and December.

9 Chief Finance Officer Statement

2013/14 will be another challenging year for the Council's finances. It is likely that relatively low settlements will continue for the medium term and the Council must be mindful of this when setting this budget.

The budget as proposed is realistic and deliverable. It makes sufficient savings to balance our position, protects front line services from major reductions and allows investment of £1m into Council priorities.

This is delivered with a 2.0% increase in Council Tax which compares to general inflation running at around 2.7%.

9 What risks are there and is there anything we can do to reduce them?

If the budget is not agreed within the relevant timescale then the Council will be breaking the law.

This is the most challenging financial period the council has faced and failure to deliver the agreed budget strategy will put further pressure on services in the current and future financial years. Effective budget monitoring and control and early reporting of variances will help ensure that the financial strategy is achieved.

10 Power to make the Decision

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their finances.

Type of saving proposal Ref	Description	2013/14 £k
A) GENERAL EFFICIENCIES		
A2	Reduce Contingency for balances and impact of Recession	Phase out budget provision over 3 years 300
A6	Future Workforce cost review	inc car user allowances 200 * See Note
A7	Costs of Democracy	Reduced senior salaries 17
A8	Review of Senior Management & Exec PAs	Review in hand
A9	Reduce budget for Major Events	WAG now fund Nat Eisteddfod
A10	Modernising the Council	200
Sub Total		717
C) SUPPORT SERVICES REVIEW		
C6	ICT/IM	Printer Rationalisation etc 25
C7	Finance & Assets	Most efficient support structure 100
	Energy	Reduced consumption 100
	Capital Financing	Reduced borrowing costs 100
Sub Total		325
D) SERVICE CHALLENGE PROCESS		
a) Leisure Services		
Da5	Remove subsidy by increasing income	General increase in income from various sources 70
		70
k) Libraries		
Dk1	Modernise Service Provision	Better use of space eg Gallery, Museum, TIC, location and suitability of some buildings etc 77
		77
b) Environmental Services		
Db1	Increase charges for certain services eg bulky waste collection	Increase charges 5
Db2	Renegotiate recycle and disposal contracts	Contracts currently being tendered - increased competition likely to drive down prices 225
Db5	Regional Waste Project Procurement Budget	Project will be procured and budget will not be needed 81
Db6	Succession Planning	Changes to management structure 15
Db10	Service Redesign (Street Cleansing)	Better targetted cleaning, smarter working, better delegation of responsibility, potential reduction in some areas 138
Db13	Cemetaries charging -	Increase charging and reduce improvements budget 10
Db15	Free School Meals Cost Pressures	Increase in take-up of service 5
Db15a	Reduced subsidy of School Meal Service	Increased take up of meals 50
Db16	AONB	-20
Db17	Stores	-45
Db18	Recycling Parks	100
		564
c) Planning and Public Protection		
EC21	Review Pest Control	Staffing reduction only carry out statutory part of function 10
EC23	Review Building Control	Staffing reduction 20
EC26	Review of Pollution Control	Staffing reduction 20
EC29	Review of Management	Management Restructure 40
		90
d) Highways and Transport		
EC17	Traffic & Road Safety	Joint Service / Regional Service 50
EC18	Highway Maintenance DLO	Review of all activities - fleet usage, working hours, practices, inspections etc 150
		200
f) Adult Social Services		
Df1	Cefndy Healthcare, Older People	Reduced Council subsidy 46
Df5	Externalise elements of Home Care	Not replacing retiring staff and better use of the private sector 15
Df8	Impact of investment in reablement	Reduced need for care services as more people are able to live independently for longer 75
Df9	Residential Care - Impact of Extra Care	Less people needing residential care due to preventative services and more independent living opportunities 155
Mental Health		
Df11	Management Changes	Retirement of staff - no replacement 19
Df12	Partnership Efficiency Savings	Reduce contribution to AMH partnership 26
Physical Disability & Impairment		
Df13	ISIL Scheme	Use of new units at Henllan site to promote more independent living 12
Df14	Reablement Intervention	Reduce need for care services through targetted intervention 26
Df15	Telecare	Regional partnership will reduce running costs 20

Other Adult Services			
Df16	Administration Rationalisation	Deleting vacant posts and reduction in staff	80
Df17	Systems Thinking and Vacancy Control	Process improvements to reduce admin and other costs	<u>474</u> **See Note
<u>h) Lifelong Learning (Excl Schools)</u>			
Dh1	Improvement & Inclusion	Restructuring of Dept, removal of vacant post, reduction in hours, reduction in staff	0
Dh2	Modernising Education		<u>0</u> *** See Note
<u>i) Schools</u>			
	Schools	Clawback of unused Single Status budget increase	
	Schools	Reduction due to falling roles etc	
	Schools		<u>0</u> *** See Note
<u>j) Children's Services</u>			
<u>Staffing</u>			
Dj4	Social Workers	Reduction in social workers as cases reduce	108
<u>Refocus on Core Business</u>			
Dj7	Review of Bryn Y Wal Residential Service	Explore whether more cost effective provision is feasible - renegotiating contract, external placements etc	109
Dj8	Reduction in Independent (external) Placement Provision	Currently exceptionally high due to type of placements. These will change as certain individuals become adults	63
<u>Pressures</u>			
Dj18	In-house Fostering		-35
Dj20	Legislative		<u>-28</u>
			217 **See Note
<u>l) Housing & Community</u>			
	Various small savings		1
Dc1	Review of Regeneration	Reduction in number of staff	10
Db18	Regeneration Service Redesign	Integration with other services and reduce staffing	<u>23</u>
			34
<u>Regional Working</u>			
ENW1	Education Regional Board	School Improvement Service	55
ENW2	Social Care Regional Board	Procurement Hub	<u>100</u>
			155
<u>G) Review Arms Length Companies</u>			
G2	Bodelwyddan Castle	Reduced Council subsidy	28
G3	Clwyd Leisure	Reduced Council subsidy	50
G4	ECTARC	Reduced Council subsidy	<u>5</u>
	Sub Total		83
<u>H) Other Cultural/Heritage activities</u>			
H2	Ruthin Craft Centre	Reduce Council's financial support	20
H3	Llangollen Pavilion	Reduce Council's financial support	25
H4	Heritage facilities	Reduce Council's financial support	<u>10</u>
	Sub Total		55
		TOTAL SAVINGS	<u>3,061</u>

Note
*The proposal to remove the essential car user allowance is still being negotiated with unions and will be subject to a ballot.

**Although Adult and Children's Social Services are expected to make savings, these will be reinvested in the services.

*** No savings are required from the Education Department

Grants Transferred into the General Settlement 2013/14

APPENDIX 2

£000

Blue Badge Scheme Grant	14
Appetite for Life Grant	81
School Counselling Grant	161
School Breakfasts Grant	470
Local Government Borrowing Initiative (Highways)	325
Post 16-SEN in Mainstream	44
Post 16-SEN Special Schools and Out of County	884
Learning Disabilities Resettlement Grant	1,089
 SUBTOTAL	 3,068
 Council Tax Support	 8,340
 TOTAL	 11,408

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Denbighshire Budget 2013/14

	-1-	-2-	-3-
	Budget 2012/13 £k	Protection & Inflation £k	WAG grant and transfers £k
Business Planning & Performance	953		
Corporate Governance	1,523		
Finance & Assets	6,930		
Highways & Infrastructure	10,455		325
Regeneration, Planning & Public Protection	3,745		
Adult & Business Services	31,850	905	1,103
Children & Family Services	8,770		
Housing Services	381		
Leisure, Libraries & Community Development	5,231		81
Strategic HR	1,213		
Customer Services	3,197		
Environment	10,688		
Modernising Education	1,404		
School Improvement & Inclusion	4,428		
Schools Delegated	61,190	1,273	1,559
	-----	-----	-----
	151,958	2,178	3,068
Corporate	7,254		8,340
Fire Service levy	4,569	24	
Capital Finance/Interest received	12,656	250	
Inflation	0	1,551	
CONTINGENCY for Further Pressures	650	0	
Contribution to Reserves	300	0	
Further Efficiency Savings *	0	-50	
	-----	-----	-----
	177,387	3,953	11,408
	-----	-----	-----
2. Level of Funding			
W A G funding	137,442	0	1,144
Transfers In			11,408
Use of reserves	50	50	
	-----	-----	-----
	137,492	50	12,552
Council Tax yield	39,895	4,003	-1,144
	-----	-----	-----
	177,387	4,053	11,408
	-----	-----	-----

APPENDIX 3

-4- Investment in Priorities £k	-5- Savings £k	-6- Projected Budget 2013/14 £k
		953
		1,523
	-100	6,830
100	-200	10,680
160	-90	3,815
400	-574	33,684
	-217	8,553
	-34	347
	-147	5,165
		1,213
		3,197
	-564	10,124
200		1,604
	-55	4,373
		64,022

860	-1,981	156,083
140		15,734
		4,593
	-100	12,806
		1,551
0	-300	350
0		300
0	-680	-730

1,000	-3,061	190,687

		138,586
		11,408
		0

0		149,994
1,000	-3,061	40,693

1,000	-3,061	190,687

Cabinet Forward Work Plan

Meeting		Item (description / title)	Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
19 February	1	Financial Update Report			Cllr Julian Thompson-Hill / Paul McGrady
	2	Annual Report on the Housing Revenue Account / Housing Rent Increases			Cllr Hugh Irving / Peter McHugh
	3	BCU response to the consultation on “Healthcare in North Wales is changing”			Cllr Bobby Feeley / Sally Ellis
	4	Communications Strategy			Cllrs Hugh Irving & Hugh Jones / Jamie Groves / Gareth Watson
	5	The North Denbighshire Day Services Review			Cllr Bobby Feeley / Phil Gilroy
	6	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet’s attention.	Tbc	Scrutiny Coordinator
19 March	1	Financial Update Report			Cllr Julian Thompson-Hill / Paul McGrady
	2	Capital Plan			Cllr Julian Thompson-Hill / Paul McGrady
	3	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for	tbc	Scrutiny Coordinator

Cabinet Forward Work Plan

Meeting		Item (description / title)	Purpose of report	Cabinet Decision required (yes/no)	Author – Lead member and contact officer
			Cabinet's attention.		
16 April	1	Financial Update Report			Cllr Julian Thompson-Hill / Paul McGrady
	2	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention.	tbc	Scrutiny Coordinator
14 May	1	Financial Update Report			Cllr Julian Thompson-Hill / Paul McGrady
	2	Ruthin Schools Review			Cllr Eryl Williams / Jackie Walley
	3	Cefndy Healthcare: Future Direction & Impact of Potential loss of DWP funding	To consider options in light of risks from loss of DWP funding & need to maintain employment for vulnerable & disabled people		Cllr Bobby Feeley / Phil Gilroy / Deborah Holmes-Langstone
	4	Items from Scrutiny Committees	To consider any issues raised by Scrutiny for Cabinet's attention.	tbc	Scrutiny Coordinator

Updated 8/1/2013 - SP

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By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

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