

REPORT TITLE: RGF: Future of Rhyl Sky Tower

REPORT AUTHOR: Tom Booty – RGF Programme Manager

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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”). 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:

- 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.
- 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 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 (eg 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. 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 on 23 October 2012.

Rhyl Member Area Group are 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 RMAG will be included in the report to Cabinet referenced above.