



Service Deficit Mitigation Report

Service Directorate:	Commercial Operations
Deficit amount:	£405k amended to £31k as a result of the agreed mitigations listed below (Q1 forecast)
Details of Deficit: (Problems/Key Issues/Background)	
<p>Anticipated income loss due to cliff slips (beach huts, land trains, lifts, catering) and seasonal response BWC's and additional Meyrick payments.</p> <p>Seafront has absorbed £530k unexpected and unbudgeted cliff slip response costs, primarily through reductions in facility maintenance, which may lead to service interruptions, further income pressures, and increased maintenance backlogs.</p> <p>Income targets have increased in 25/26, have lowered demand in some areas, and wider pressures which are also currently being absorbed.</p>	
Mitigation already assumed: (Please include details of any mitigation used to bring it down to the level declared)	
<p>Ongoing management of staffing costs through recruitment changes/delaying recruitment and reductions in casual / seasonal staff.</p> <p>Revised maintenance programme.</p> <p>Additional marketing activity and/or service changes planned for lodges, beach huts, catering and Visitor Info/TIC.</p>	
Further Mitigation needed:	
<p>LUF or CIL could be utilised to help deliver some elements of maintenance programme.</p> <p>The £1.4m reserve for cliff management could also offset all the reported pressure, wider review into required works being undertaken.</p>	

Conclusion:

Cliff slips and visitor numbers / spend have put significant pressure on budgets.

Actions are being undertaken to minimise pressures however, the service is unlikely to be able to balance its budget unless some or all of the Q1 cliff slip expenditure is offset against the £1.4m reserve.

Likelihood of success:

Medium