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Mr John Miller
Heritage Trust North West
Park Hill
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Your ref

Our ref

Date

HTNW/SMc

6th March 2013

Dear Mr Miller

Lancashire County Council Financial Support for the Heritage Trust North West

I write further to recent correspondence from Martin Kelly, Director of Economic Development, Lancashire County Council, regarding the decision taken by the County to, in principle, provide additional financial support to the Heritage Trust North West.

As set out in Martin Kelly's letter, and as we have discussed, the County Council decision focused on three key areas

- An in principle agreement to increase the Heritage Trust North West's Loan Guarantee from £500,000 to £1,000,000.
- An in principle agreement to investment £1,000,000 in the refurbishment of Lytham Hall
- An in principle agreement to provide revenue funding for the operational costs of the Heritage Trust North West.

In order for these decisions to be implemented a number of actions need to be undertaken by the Heritage Trust including the drafting of a Development Plan, agreed by the Trust Board. The Development Plan will include

- An Asset Disposal Strategy setting out a schedule for the disposal of Identified Trust property assets in order to reduce the Trust's reliance on loans to undertake activity
- An agreement to the County Council taking a charge over Trust property assets, as identified in the Asset Disposal Strategy, to a value sufficient to cover potential liabilities from the £1,000,000 Loan Guarantee
- An agreement to the proceeds of sale of any Trust properties, to be either:
 - Applied directly in reduction of AHF loans, and the guarantee from LCC reduced by the same amount, or
 - Set aside for loan repayment at a later date

Once the above actions have been undertaken the County Council will then be able to proceed with the increase in the Loan Guarantee level which will facilitate the Trust.

Sean McGrath Head of Economic & External Relations
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undertaking the refurbishment of Lytham Hall. The County Council will then also be in a position to make a grant to support the refurbishment work.

In order to continue to support the ongoing work of the Trust the County Council wishes to enter into further discussion regarding revenue support. It is envisaged that all County Council financial support will be managed through a Service Level Agreement.

Yours sincerely

A handwritten signature in black ink, appearing to read 'SM', with a stylized flourish extending from the end.

Sean McGrath
Head of Economic & External Relations