

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
COUNCILLOR FRADLEY	TOURISM AND LEISURE COMMITTEE	11 JANUARY 2018	4
LYTHAM HALL RESTORATION: PROGRESS TOWARDS A NEW HLF BID			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The report provides a further update to the committee on progress against the recommendations approved in respect of the Lytham Hall Restoration Project. The council's interest remains focused on facilitating a renewed Heritage Lottery Fund (HLF) bid for the restoration of the Hall, only through a new bid can Lytham Hall be restored. The £300,000 capital grant the council contributed towards the HLF bid in 2012 was to achieve the restoration of Lytham Hall, this remains a priority for the council. The progress report covers the period since the T&L Committee on November 2nd 2017 during which time Councillor Fradley has held a number of meetings and conversations with key stakeholders including Heritage Trust North West (HTNW), the Heritage Lottery Fund (HLF), Friends of Lytham Hall and Lytham Town Trust (LTT). Councillor Fradley has been supported by the Chief Executive and the report includes views, opinions and conclusions based on the conversations held and any supporting evidence provided.

RECOMMENDATIONS

1. That the committee notes the progress made by HTNW in responding to the Moore Stephens report which has been provided by the HLF and support the need to recruit a new Chief Executive or Director in order to be in a position to conform with the recommendations and apply for future HLF funding.
2. That the committee offer to support a HTNW bid for Resilience Grant funding from HLF to help progress towards a new HLF bid for the restoration of Lytham Hall.
3. That the committee support the HLF request for all interested parties to meet and establish the best arrangements for ongoing good working relationships that will ensure the splendour and potential of Lytham Hall is fully exploited for the benefit of current and future residents and visitors.
4. That the committee request an update on the Lytham Hall restricted fund account as part of next progress update at the Committee meeting on March 8th 2018.

SUMMARY OF PREVIOUS DECISIONS

November 2nd 2017 Tourism & Leisure – Lytham Hall Restoration Project: Progress Towards a New HLF Bid
 September 7th 2017 Tourism & Leisure - Lytham Hall Restoration Project: Progress Report
 June 22nd 2017 Tourism & Leisure – Lytham Hall Restoration Project: Rebuilding the Project
 March 9th 2017 Tourism & Leisure – Lytham Hall Restoration Project: Independent Audit Report
 November 3rd 2016 Tourism & Leisure - Lytham Hall Restoration Project: Capital Grant Monitoring Report
 November 12th 2015 Tourism & Leisure - Lytham Hall Restoration Project: Capital Grant Monitoring Report
 January 7th 2015 Tourism & Leisure – Lytham Hall Restoration Project: Progress Report: Coastal Revival Fund
 January 15th 2014 Cabinet - Lytham Hall Restoration Project: Capital Grant Monitoring Report
 June 27th 2012 Cabinet - Lytham Hall Restoration Project: Capital Grant Monitoring Report

June 28th 2011 Cabinet - Lytham Hall Restoration Project: Capital Grant Approval
 March 28th 2011 Full Council – Lytham Hall Restoration Project: Capital Grant Request
 March 23rd 2011 Cabinet – Lytham Hall Restoration Project: Capital Grant Request

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	
Working with all partners (Vibrant Economy)	✓
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	✓

REPORT

- At the Tourism & Leisure Committee on November 2nd 2017 after a progress update from Councillor Fradley along with feedback from Paul Lomax (Deputy Manager at Lytham Hall) and John Turner (HTNW) the following recommendations were agreed:
 - That the committee confirm its priority to help to secure a new bid to the HLF for the restoration of Lytham Hall by the most effective means possible working with all relevant partners and request that Councillor Fradley focuses on achieving this.
 - To note that some progress has been made by HTNW to address the recommendations made by this committee and the Moore Stephens report with the introduction of new leadership, governance and financial arrangements at Lytham Hall.
 - To request that any new HLF bid for the restoration of Lytham Hall includes direct engagement by the nominated elected member from the Tourism and Leisure Committee.
 - That prior to the committee supporting any future lottery bid led by HTNW, written evidence is provided from the HLF that they are satisfied with the measures taken by HTNW to address the recommendations in the Moore Stephens report.
- The Lytham Hall Foundation Trust (LHFT) was discussed during the progress report on November 2nd 2017 and a number of issues were raised by members of the committee. The LHFT is intended to be the vehicle that will manage any funds related to projects at Lytham Hall, it is a '*new charitable trust*' that '*all donations and grants to the hall will be paid into..... and only dispersed exclusively for projects and restoration at Lytham Hall itself.*' Mr Turner confirmed in the [online statement](#) that the '*charitable purpose will be to fundraise for and on behalf of the Lytham Hall..... This will be a defined purpose fund for the benefit of the Lytham Hall project. Trustees of the Foundation will be local, and independent with HTNW and no other body or organisation having a place on the board of trustees as of right. The Trustees will be responsible for allocating funds, releasing and then monitoring spend.*'
- At the committee meeting on November 2nd after some discussion it remained unclear what the current status was of the LHFT, which was still being drafted by HTNW's solicitors Arnison Heelis. LHFT's remit is to raise and receive funds and then to allocate, release and monitor expenditure. To help provide clarification for the committee on the LHFT enquiries were made about the following:
 - Details of the remit and scope / purpose of the Lytham Hall Foundation Trust (is it intended to be the body that submits a new HLF bid?)
 - The proposed governance arrangements and membership structure (i.e. private sector / public sector / volunteers etc.)
 - The proposed constitution and terms of reference for the Trust i.e. will it be a registered charity in its own right? The essential requirements / person specification for Trust members

- The process for advertising, recruitment and selection of the members
4. In response to these enquiries HTNW have indicated that after discussion with HLF it is unlikely that LHFT will be the appropriate body to apply for HLF funding and that any application would likely to be from HTNW either as a partner with other stakeholders or a sole bidder.
 5. In line with the priority to secure a new HLF bid for the restoration of the Hall further enquiries have been made about the £342,437 in 'restricted funds' in HTNW published accounts dated 31st March 2016 for use at Lytham Hall that originated from contributions for Lytham Hall, hence the money is 'restricted'. It has been confirmed that these funds are not in a bank or investment account awaiting use on the Lytham Hall project they are invested in tangible fixed assets. HTNW do not have any significant tangible fixed assets at Lytham Hall, therefore, the money is invested in assets not related to Lytham Hall. A request was made as to whether the restricted funds for Lytham Hall would be released for a new HLF bid, to use as match funding for a bid or to pump prime towards investment at Lytham Hall, and if not what plans are in place to ensure that money given for Lytham Hall is invested in Lytham Hall.
 6. In response to the enquiry HTNW will arrange for their accountant Ian Dougmore to provide details of the restricted fund to Fylde Council's finance team with information on the plans for the funds and how any return is invested in Lytham Hall. This information is expected to be available for the next progress update in March 2018.
 7. Evidence from Lytham Hall suggests that the income generated from catering and events at the Hall is at an all-time high with the 'Paint the Hall Ball' and Rotary Club Steam Rally recent examples of successful fund raising through the local community. Funds are currently being raised to paint the Hall, this is necessary routine maintenance and therefore the responsibility of HTNW as tenants of the Hall. HTNW were asked whether funds raised specifically for the painting of Lytham Hall at the two events are to be deposited into a dedicated account for the Hall and invested in the painting of the Hall. It has been confirmed to FBC by Mr John Turner Chair of HTNW that all these funds when received will be deposited into an existing bank account called the Lytham Hall Appeal account. Evidence of this had not been provided at the time this report was published.
 8. In response to this enquiry HTNW's Chairman Mr John Turner confirmed that an account called the Lytham Hall appeal account is open and is temporarily to be used for holding funds raised at the Hall for the Hall, until such time as defined purpose fund is established by for example LHFT.
 9. Councillor Fradley has made a formal request to HTNW, HLF and LTT that he is engaged on behalf of the committee in any new HLF bid for the restoration of Lytham Hall and that in line with a previous recommendation of the committee that the Council acts as the accountable body. None of the potential partners have raised an objection to this request and Councillor Fradley remains engaged with all partners to establish the most viable means of submitting a new bid for the restoration of Lytham Hall.
 10. At a meeting with Nathan Lee from HLF on Friday December 1st 2017, Councillor Fradley stated that prior to the committee supporting any future lottery bid led by HTNW, written evidence would be required from the HLF that they are satisfied with the measures taken by HTNW to address the recommendations in the Moore Stephens report. Mr Lee confirmed that HLF are working with HTNW on the response and actions required to meet the recommendations of the Moore Stephens Report and that once evidence has been provided to HLF that the actions are complete written confirmation would be provided to Councillor Fradley.
 11. On December 15th 2017 Nathan Lee from HLF sent the following statement to confirm that HTNW had successfully responded to all the recommendations in the Moore Stephens report:

"I am pleased to report that HTNW have now responded to all the points in the Moore Stephen's report. I met with John Turner (Chair) and Laurie Peake (new Trustee) on 13th December and agreed to email them and yourselves confirming that the response is positive and places HTNW in a position to be able to consider a Resilient Heritage Grant request to HLF. We have suggested this as such a grant would be able to help them continue their journey in improving their financial position and their governance. The key issue currently is succession planning for John Miller who has retired (as CEO of HTNW) but upon whom they still continue to rely in the absence of a Chief Executive or Director.

HTNW would not be in a position to apply to HLF for a major capital grant at the present time. The risks without a paid head of the organisation would be too great.

In light of the above I wondered if it would be timely to arrange a meeting of all the interested parties including HLF to discuss possible ways forward for Lytham Hall. I would want such a meeting to focus on the shared aims of all parties – to see the splendour and potential of Lytham Hall fully exploited for the benefit of current and future residents and visitors. One of the items we could discuss is what the best arrangement for establishing ongoing good working relationships would be and whether a separate charity for Lytham Hall is required.”

12. HLF believe that accessing the Resilience Heritage Grant will enable HTNW to develop the necessary resources and skill set to conform to the Moore Stephens recommendations and get to a position in which they can apply for a new HLF bid.
13. It was confirmed by HLF that a bid for lottery funds for the restoration of Lytham Hall does not require HTNW to be the lead organisation however, the clear advice from HLF is that all stakeholders in any project should work together in effective partnership to achieve common goals.
14. The common goal for all stakeholders at Lytham Hall is the restoration of the Hall and to this end it is in the interest of all stakeholders to act in partnership. It is clear that relationships between partners with a stake in Lytham Hall have been strained as a result of the previous HLF bid being suspended and the remaining funds withdrawn. One of the key relationships for the Lytham Hall project is that between the landlord (LTT) and the tenant (HTNW), in the terms of the lease between the two parties there is the requirement to have an Executive Board with representation from both landlord and tenant. I have been in discussion with both parties to support effective working relationships through the Executive Board that would facilitate a HLF bid for the restoration of the Hall on the grounds that LTT and HTNW are important stakeholders that should be involved, if possible, in any future bid.

IMPLICATIONS	
Finance	In August 2011 Fylde Council agreed a capital sum of £300,000 to support the Lytham Hall Heritage Restoration Project, which was paid in 2011/12. The audited accounts of the Heritage Trust for the North West as at 31 st March 2015 showed that at that date a sum of £131,108 of this grant remained unspent – shown within the accounts as ‘Deferred Income’. Within the 2015/16 accounts this figure has reduced to zero as at 31 st March 2016, indicating that all of the grant had been expended.
Legal	The committee on June 22 nd and September 7 th 2017 reserved the right to take legal action in the event that satisfactory evidence was not provided of expenditure against the £300,000 capital grant or there was insufficient progress by HTNW to restore the Lytham Hall Restoration Project. Evidence from the Independent Audit Report on March 9 th indicated that there has been at least one clause of the Heads of Terms breached by HTNW.
Community Safety	There are no direct community safety implications
Human Rights and Equalities	There are no direct human rights or equalities implications
Sustainability and Environmental Impact	There are no direct sustainability or environmental impact implications
Health & Safety and Risk Management	There are no direct health & safety or risk management implications

LEAD AUTHOR	CONTACT DETAILS	DATE
Councillor Fradley	cllr.rfradley@fylde.gov.uk	20/10/2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
T&L Committee Meetings	November 3 rd 2016, March 9 th 2017, June 22 nd 2017, September 7 th 2017, November 2 nd 2017	www.fylde.gov.uk