



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	TOURISM AND LEISURE COMMITTEE	14 MARCH 2019	5
FAIRHAVEN HERITAGE LOTTERY PROJECT			

PUBLIC ITEM

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

SUMMARY

At the Budget Council meeting in March 2016, the Council approved the Medium Term Financial Strategy (MTFS) for the five years 2015/16 to 2019/20, including an updated Useable Reserves & Balances policy. This revised policy included the transfer of a sum of £3m from General Fund balances to the Funding Volatility Reserve in 2015/16 with the first call on this reserve being as match funding for the Fairhaven lottery bid should this be successful in the maximum sum of £400k.

Subsequently at the Council meeting of 4th December 2017 a funded budget increase for the sum of £120k for 2019/20 was approved to provide funding for the public realm enhancements to the Fairhaven Lake & Gardens Restoration scheme to be met from the Capital Investment Reserve.

The Council meeting of 16th July 2018 Council approved the detail and submission of the Fairhaven Lake and Gardens final capital cost plan to the Heritage Lottery Fund and agreed to underwrite the as yet unsecured external funding in the sum of £343K, also to be met from the Capital Investment Reserve.

In December 2018, the Council was notified that it had been successful in securing the second round capital grant from the Heritage Lottery Fund in the sum of £1,476,600 for the restoration of Fairhaven Lake & Gardens. The grant has been awarded on the condition that match funding of a further £960,897 is provided by Fylde Council, through internal and external financial contributions, providing a total capital budget of £2,437,497.

The total capital budget will be used to retain the two project officers, retain the existing consultancy team, procure all the capital works, deliver a 3 year activity and events programme and allow the drawdown of contingency monies in the event of unforeseen circumstances that may occur during the delivery of the project.

The Committee are requested to authorise the commencement of the scheme and to approve the necessary expenditure as detailed in this report.

The report provides a breakdown of the total capital budget including the range of internal and external funding and estimated time of expenditure.

The report also describes the 'approved purposes' which need to be achieved from the grant funding specified by the Heritage Lottery.

RECOMMENDATIONS

The Tourism and Leisure Committee are recommended:

1. To consider the scheme as proposed within this report and recommend to Council approval of a fully-funded increase in the total scheme value within the Capital Programme of £2,317,497 (£33,342 in 2018/2019, £1,401,500 in 2019/2020, £713,943 in 2020/2021 and £168,712 in 2021/2022) in respect of the Fairhaven Lake & Gardens Restoration Project, to be met in full as detailed in the report;
2. Subject to the approval at 1 above, to authorise the proposed expenditure in respect of Professional fees in the sum of £170,653 and activity costs in the sum of £276,125 as detailed in section 9 in order to progress the scheme; and
3. To note that further draw down reports will be presented to the Tourism and Leisure committee as the scheme progresses.

SUMMARY OF PREVIOUS DECISIONS

Council Meeting - 2nd March 2016 RESOLVED:

To approve the Medium Term Financial Strategy (MTFS) for the five years 2015/16 to 2019/20, including an updated Useable Reserves & Balances policy. This revised policy included the transfer of a sum of £3m from General Fund balances to the Funding Volatility Reserve in 2015/16 with the first call on this reserve being as match funding for the Fairhaven lottery bid should this be successful in the maximum sum of £400k.

Council meeting - 4th December 2017 RESOLVED:

To approve a funded budget increase for 2019/20 in the sum of £120k in respect of the Fairhaven Lake & Gardens Restoration Project scheme, that was within the approved Capital Programme, to provide public realm enhancements to the scheme to be met from the Capital Investment Reserve.

Council meeting - Monday 16^h July 2018 RESOLVED:

To approve the detail and submission of the Fairhaven Lake and Gardens final capital cost plan to the Heritage Lottery Fund and agreed to underwrite the as yet unsecured external funding in the sum of £343K, to be met from the Capital Investment Reserve.

Tourism & Leisure Committee – Thursday 26th June 2018:

1. To note the approval by the Council at the meeting of 16th July 2018 of an addition to the Capital Programme for 2018/19, should it become necessary, in relation to the underwriting of the Fairhaven Lake and Gardens Heritage Lottery Fund Round 2 submission in a maximum sum of £343,000;
2. To approve the detail and submission of the Fairhaven Lake and Gardens final masterplan included in the report, which forms part of the Round 2 submission to the Heritage Lottery Fund; and
3. To approve the detail and submission of the Fairhaven Lake and Gardens final capital cost plan included in the report, which forms part of the Round 2 submission to the Heritage Lottery Fund, which included the underwriting of £343,000 as agreed by Council at the meeting of 16th July 2018.

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)	√

BACKGROUND

1. The Council have supported a grant application to the Heritage Lottery Fund (HLF) for the restoration of Fairhaven Lake & Gardens since 2011 and have committed capital funding to the project as detailed in this report. Two previous unsuccessful bids were made to the HLF in 2011 and 2014.
2. The Council submitted a third and final funding application to the HLF in August 2016 for a development grant to restore Fairhaven Lake & Gardens. The bid was prepared under the 'Parks for People' strand of the Heritage Lottery which is specific to the restoration of historic parks and gardens.
3. In January 2017 the Council was informed that the bid had been successful and a development grant of £165,500 was awarded for the project, on the condition that match funding of £54,866 was provided by Fylde through internal or external financial contributions, providing a total capital budget of £220,366, to provide Fylde Council with the opportunity to prepare a second round capital bid to the HLF.
4. Two project officers were recruited in August 2018, alongside a multi-disciplinary team of consultants to develop a capital grant (second round) application to the HLF. The second round application to the HLF was made in August 2018 for £1,476,600, on the condition that partnership funding of £960,897 was secured to make an overall total project budget of £2,437,497.
5. In December 2018, the Council was notified that it had been successful in securing the second round capital grant from the Heritage Lottery Fund of £1,476,600 for the restoration of Fairhaven Lake & Gardens. The grant has been awarded on the condition that match funding of a further £960,897 is provided by Fylde Council, through internal and external financial contributions, providing a total capital budget of £2,437,497.
6. On the award of a second round grant, the HLF specified a list of 'approved purposes' that must be achieved in order to deliver the key aspects of the project that were specified within the application. The approved purposes must be achieved and are conditional to claiming the grant.
7. The 'approved purposes' that must be achieved under the terms of the second round grant are:
 - Lake Works: Improving lake condition, water quality, interest and accessibility by:
 - Removing silt, installing aeration-pumps and restoring edges and footpaths;
 - Upgrading pontoon;
 - Forming a beach;
 - Preparing island to be a forest school;
 - Creating a winter wader roost on another island; working with Fylde Bird Club and RPSB.
 - Historic Buildings:
 - Pavilion Café: removing inappropriate extensions to expose original features, including colonnaded veranda and internal cornice details; remodelling east elevation to restore roof based on the original architect's intentions; reconfiguring the interior, levelling the split floor and introducing accessible toilets;
 - Pagoda: exposing original timber and ironwork roof structure and removing alterations to open space as a welcome and interpretation centre
 - Boathouse (to become the Watersports Centre): reconfiguring to provide a classroom and facilities for lake users (toilets, changing facilities and storage) within a new insulated shell.
 - Landscaping:
 - Restoring to use Mawson's Japanese Lagoon Garden;
 - Upgrading tennis courts;
 - Installing adventure play park;
 - Providing sustainable tree/shrub displays suitable for the challenging coastal environment;
 - Creating Mawson's Lookout over the Estuary;
 - Working with Lancashire Gardens Trust, establishing a volunteer-run plant nursery.

- Interpretation: Providing interpretation to include:
 - Welcome panels;
 - Pagoda exhibition;
 - Trail waymarking and information;
 - Website improvements;
 - Temporary exhibition area.
- Activity Programme for the general public and targeted groups, including:
 - Community archaeology dig(s) at the Japanese Garden and site of the World War II observatory;
 - Annual Events: regatta, open day, Heritage Open Days, Big Picnic;
 - Annual on-site and outreach talks and guided walks, including work-in-progress tours;
 - Memories workshops and oral history collection leading to Community Theatre performances;
 - Running a Heritage Hub in the Pagoda, with changing exhibitions prepared by local groups, including those not well represented in the heritage;
 - Family activities: drop-in sessions, orienteering, buggy walks, Family Heritage Afternoons targeted at hard-to-reach audiences;
 - Specially designed activities for users of health and wellbeing services and children and families agencies;
 - An expanded programme of watersports activities including swimming, sailing, canoeing, kayaking and paddle boarding;
 - Informal learning resources: quizzes, trials, self-guiding leaflets, web-based resources.
- Formal Education:
 - Delivering activity programme for primary schools;
 - Offering work experience opportunities for local college students studying tourism, media, landscape and horticulture;
 - Creating and making available on-line resources.
- Volunteering:
 - Training and developing new and existing volunteers to support the park and contribute to the Friends of Fairhaven Lake, the whole park Steering Group, a Heritage Advisory Panel and a Youth Steering Group;
 - Appointing a Volunteer Co-ordinator.
- Staffing:
 - Employing a Project Officer (FTE) and an Activity Development Officer (0.6FTE).
- Marketing
 - Marketing the park's offer to ensure take-up.

8. The capital works will be delivered between September 2019 and August 2020, with the Activity and Events programme running concurrently for 3 years from February 2019 to January 2022.

COST BREAKDOWN OF THE SCHEME

9. The following cost breakdown was submitted at second round and forms the basis of the HLF project deliverables, in conjunction with the approved purposes of the grant award.

Activity/Work Element	Description	Cost
Capital Costs		
Repair and conservation work	Pagoda (£138k); Pavilion Café (£444k); Boathouse (£292k)	£874,483
Other capital work	Lake works (£400k); Landscape fabric works (£400k)	£802,599
Other costs (capital)	Interpretation, incl. digital outputs	£110,000
Professional fees relating to any of the above	Project Leader (£8k); Conservation Architect (£44k); Landscape Architect (£35k); Civil Engineer (£7k); QS (£28k); M&E (£7k); Structural Engineer (£6k); Principal Designer/H&S Consultant (£4k); Hydrologist (£5k); Interpretation Designer (£18k)	£161,653
Sub-Total		£1,948,735
Activity Costs		
Staff costs	1 x FTE Park Development Officer, 1 x 0.6 FTE Activity Development Officer, both 3 years	£168,375
Training for Volunteers	Development (£3k) and training plan (£6k)	£9,000
Travel and Expenses for Volunteers	Food and Travel subsidies for volunteers at all events and activities - see activity cost schedule	£7,300
Other (Activity)	Heritage events (£2k); Art/Culture events and exhibitions (£17k); Education (£5k); Sports, Health and Well-Being sessions (£18k)	£42,940
Equipment and Materials	For: Activities (£33k); Community Plant Nursery (£4.5k);	£37,910
Professional fees relating to the above	Archaeology Consultant for community archaeology event (£6k); UR Potential (Youth Participation Project (£4.6k)	£10,600
Sub-Total		£276,125
Other Costs		
Evaluation	Professional Fees	£9,000
Contingency	10% of lake and landscape items, 10 % interpretation and activity costs, 7.5% buildings, plus 5% on professional fees, including Evaluation Consultant	£183,408
Inflation	Pre Construction 2% up to Q2 2019 on all capital items except for buildings	£20,229
Sub-Total		£212,637
Total Project Cost		£2,437,497

10. The HLF Grant of £1,476,600 equates to 60.6% of the overall project cost. The remaining £960,897 of partnership funding is broken down as follows:

Funding Source	Description	Secured	Amount
Council Capital Contribution	It was agreed that £400k would be drawdown from the Funding Volatility Reserve should the second round application be successful	Yes	£400,000
Council Capital Contribution	For public realm improvements at the south east of the lake	Yes	£120,000
Sport England Community Asset Fund	Match funding for works to the Watersports Centre	Yes	£100,000 ***
United Utilities	Contribution to restoration project	Yes	£60,000
Lytham Schools Foundation	Contribution to Island works	Yes	£15,000
RSPB	Partnership contribution to restoration project	Yes	£8,000
Coastal Communities Fund	Partnership funding for Lake Dredging	No	£130,000
Lawn Tennis Association	Partnership funding for Tennis Development	No	£51,106
Lancashire Environmental Fund	Partnership funding for the Adventure Play Area	No	£30,000
Café Tenant Contribution	Contribution to fit-out works	No	£15,000
Sport England Shortfall financed through Council Underwriting	***Sport England application was for £131,791 however the award has been capped at £100,000.	Yes	£31,791
Sub Total			£960,897
Heritage Lottery Fund	Second Round Application Award total	Yes	£1,476,600
Total			£2,437,497

UNDERWRITING UPDATE

11. In July 2018 the Council agreed to underwrite a maximum sum of £343,000 in respect of the unsecured partnership funding to be included within the HLF second round application total, to ensure the strongest possible bid to the HLF. The underwriting was necessary to give the required funding certainty to the HLF as a number of partnership funding application decisions would not be known before the second round application to the HLF.
12. The amount of underwriting required by the Council has now been reduced by £100,000 following confirmation of the Sport England successful grant award of the same amount. The initial Sport England application was for £131,791, however changes to the award criteria has introduced a cap at £100,000, therefore the Council will be required to fund the remaining £31,791 shortfall.
13. Therefore, the remaining unsecured match funding at the time of writing this report is £242,897 which includes; Coastal Communities Fund (£130,000), Lawn Tennis Association (£51,106), Lancashire Environmental Fund (£30,000) and the shortfall generated from the reduced Sport England grant award (£31,791). Decisions will be made by the respective funding bodies during 2019.

PROCUREMENT

14. The tender for the Lead Consultant Commission was advertised on the 26th May 2017 and followed the OJEU open tender procedure (Official Journal of the European Union), via the CHEST North West procurement portal. The tender included consultancy services for both the development and delivery phases of the project, as stated in the report presented to the Tourism and Leisure Committee in June 2017. The results of the tender were included in the report presented to the Tourism and Leisure Committee in September 2017.
15. The lead consultant will procure, lead and coordinate a team of specialist consultants who are experienced in working on HLF Parks for People projects, including building conservation architect, hydrologist, civil engineer, interpretation specialist and archaeologist.
16. The main capital works will be delivered via two separate contracts. Both contracts will be put out to tender in line with the project timetable and will follow the Councils financial and procurement regulations. Further reports will be presented to the Tourism & Leisure Committee to confirm the procurement details and contract awards during the delivery phase of the project.
17. The tender for the Quantity Surveyor was advertised in August 2017 and followed the 'Quick Quote' procedure. The tender included consultancy services for both the development and delivery phases of the project.
18. The procurement of items to deliver the activity plan and any small independent capital works will also follow the request for quotation, 'quick quote' or full tender procedure dependant on the level of spend. Regular updates will be presented to the Tourism and Leisure Committee on this spend during the delivery stage.

IMPLICATIONS	
Finance	Tourism and Leisure Committee are asked to authorise the proposed expenditure as detailed in the report in the total sum of £2,437,497 for the Fairhaven Heritage Lottery Fund project, subject to the prior approval by Council of a fully-funded increase in the total scheme value within the Capital Programme of £2,317,497 to be met as detailed within the report.
Legal	None arising from this report
Community Safety	Provision of modern recreational facilities is important in terms of providing diversionary activities
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	The new management and maintenance plan for the restored site will cover any potential changes to site management & maintenance and will ensure minimal environmental impact
Health & Safety and Risk Management	The main contract tender will contain detailed Health and Safety information prepared by the Principal Designer in accordance with the CDM Regulations 2015. This will be developed by the successful Contractor under their role as Principal Contractor prior to starting on site to safeguard the public and contractor personnel.

LEAD AUTHOR	CONTACT DETAILS	DATE
Charlie Richards	charlie.richards@fylde.gov.uk – 01253 658472	February 2019

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Budget Council Minutes	2 March 2016	Budget Council Minutes
Full Council Minutes	4 December 2017	Council Minutes
Full Council Minutes	16 July 2018	Council Minutes