

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
COUNCILLOR FRADLEY	TOURISM AND LEISURE COMMITTEE	8 MARCH 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 is the latest update to the committee on progress against the recommendations approved in respect of the Lytham Hall Restoration Project and is part of the focus to support a new Heritage Lottery Fund (HLF) bid for the restoration of the Hall. The necessary restoration work necessary at Lytham Hall can only be achieved through a new and significant bid. The £300,000 capital grant the council contributed towards the HLF bid in 2012 was a contribution towards the restoration of Lytham Hall, this remains the priority for the council.

The progress report provides an update on events since the last T&L Committee on January 11th 2018 during which time Councillor Fradley has held a number of meetings 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 other officers, the report includes views, opinions and conclusions based on the conversations held and any supporting evidence provided.

RECOMMENDATIONS

1. That the committee notes there is progress being made by all partners to work together towards a new heritage lottery bid for the restoration of Lytham Hall.
2. The committee note that based on the evidence and information provided about the Lytham Hall restricted fund account that it cannot be used to contribute towards a new lottery bid for the restoration of the Hall.
3. That all partners are asked to focus on developing a time table for the submission of a new bid to the HLF for the restoration of Lytham Hall.

SUMMARY OF PREVIOUS DECISIONS

January 11th 2018 Tourism & Leisure – Lytham Hall Restoration Project: Progress Towards a New HLF Bid
 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 January 11th 2018 a progress update was provided by Councillor Fradley along with feedback from John Turner (HTNW) who was invited to address the committee as part of the progress reporting, the following recommendations were agreed by the committee:
 - To note the progress made by HTNW in responding to the Moore Stephens report which had been provided by the HLF and recognise 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 any future HLF funding.
 - 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.
 - 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.
 - 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.
- John Turner was invited by Councillor Fradley to present updates on progress by HTNW at the committee meeting during which an invite was extended to the committee members to visit Lytham Hall. The Chairman accepted the invite and a visit was arranged for Friday February 23rd 2018. The purpose of the visit was to show Members first-hand the work that needs to be done to restore Lytham Hall putting context to the scale of the project that would need to be funded from a HLF bid with some match funding.
- HTNW continue to work towards delivering the recommendations from the Moore Stephens report and are in regular dialogue with the HLF. At the time of writing this report the recruitment process for a new Chief Executive at HTNW had not begun because the bid to the Resilience Grant fund has not yet been submitted, HTNW are working on the details of the Resilience Grant bid which will include the support, including funding, necessary to recruit an appropriate Chief Executive. In accordance with the recommendation approved at the last meeting of this committee the Council is prepared to offer support and advice with the Resilience Grant bid through officers that have made similar lottery funding bids.
- Councillor Fradley has facilitated several meetings between HTNW (the tenant) and LTT (the landlord) for Lytham Hall to discuss new membership and improved relations on the Executive Board, the landlord and tenant have also met separately to further develop relations. These meetings have proved to be productive with a number of challenging issues already addressed with further progress to be made, additional meetings are planned with other stakeholders including the HLF to start meaningful plans on the best arrangements for submitting a new lottery bid for the restoration of Lytham Hall.
- Information about the Lytham Hall restricted fund was provided by HTNW's appointed accountants Ainsworth Limited who responded initially to the following four key questions and subsequent further enquiries:
 - Can you confirm that this is a restricted fund and what is the 'restricted' nature of the fund i.e. what are funds restricted for?
 - Where have the funds come from that make up the restricted fund account / budget?
 - What fixed assets are the funds invested in and where are these located?
 - What is the reason for the £142,125 difference between 2016 and 2017 – where has that been spent?

6. It was confirmed that the fund is restricted to Lytham Hall for expenditure on both capital and revenue at the Hall to include (as per the HLF letter dated August 3rd 2011):
 - a. The restoration, renovation and repair of the Hall itself
 - b. Increase revenue generation of the whole site to make it more self-sustainable
 - c. Increase public access to the site including people with disabilities
 - d. Renovate the parkland and gardens to allow year round access
 - e. Provide a varied programme of events and activities for the general public
 - f. Improve the long term management and maintenance of the site
 - g. Provide volunteering and training opportunities for the general public and staff
7. The expenditure of £142,125 over the 2016/17 financial year has been primarily on the revenue items listed below:

Expenditure

Preservation/maintenance of heritage property	64,757
Staff Costs (wages)	128,756
Pension	541
Light & Heat	213
HTNW central costs re Lytham Hall HLF project	28,152
Telephone	2,122
Motor Expenses	4,782
Equipment hire	1,105
Repair & Renewals	2,920
Cleaning	108
Sundry	<u>14</u>
	233,470

8. The employee wages of £128,756 were allocated in 2016/17 to roles associated with the HLF bid that was still in place including; HLF Project Officers; HLF Project Administration; HLF Project caretaking and cleaning; HLF Project building and capital work employees.
9. The restricted account received income of £91,345 in the same period which reduced the expenditure on the year to £142,125 and in turn produced the closing balance as of March 31st 2017 of £200,312. The income was from three sources (see table below) none of which are established revenue income streams and therefore may not be realised year on year.

Fylde Borough Council	60,464
Lytham Town Trust	19,881
Tesco Bags for help	<u>11,000</u>
	91,345

10. Contributions to the fund are still made in year as evidence by the three income streams above with the fund originally financed from the contributions listed in the account extract included as Appendix 1 to the report. The fund is supported by the assets of HTNW which include investment properties located in various parts of

the North West of England as well as a sum of £25,000 held in the bank. In the 2016/17 financial year no income from fixed assets contributed towards the Lytham Hall Restricted Fund. The following statement was submitted with the information relating to the Lytham Hall restricted account:

“The rents received by HTNW are treated as unrestricted income and used to cover loan repayment costs to Unity Bank, running costs of the charity, its buildings and project costs such as Lytham Hall. Lytham Hall costs supported by this income include both restricted costs such as the HLF Project and unrestricted costs. HTNW has over many years used a substantial amount of its rental income to cover the costs of running and maintaining Lytham Hall.”

11. Based on the evidence provided the Lytham Hall Restricted Fund is reducing year on year with expenditure exceeding income and the funds required for the day to day running cost of the Hall. The initial enquiry into this fund was to establish whether the fact that it is restricted to Lytham Hall, and separate from the HTNW general fund account, meant that it could be used to leverage or match fund any new bid to the HLF lottery fund for the restoration of Lytham Hall. It is clear based on the information provided that the fund cannot be used for this purpose and that it is likely to be exhausted by the time, and in the event that, a new lottery bid is successful. In terms of any value towards a new lottery bid for the restoration of Lytham Hall the council has no further interest in the restricted fund account.
12. Relationships between the various partners involved with Lytham Hall have improved and interest in restoring the Hall is as strong as ever, the catering operation, Park Runs and other events help to maintain the profile as well as enhance the reputation of Lytham Hall. However, the need for significant capital investment, as witnessed on the recent tour by Members, is clearly evident, therefore it is important that all stakeholders make it the top priority to develop a clear plan and time table for the submission of a new bid to restore the Hall.

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. Information received from the Heritage Trust for the North West indicated that as at 31 st March 2017 a sum of £60,464 of the original grant remained unspent.
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	06/02/2018

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
T&L Committee Meetings	November 2016 to January 2018	www.fylde.gov.uk

Appendix 1: Lytham Hall Restricted Funds Account

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LYTHAM HALL APPEAL (STAGE II)		2016
Expenditure to date		
Claims 1 - 13		1,757,411
<u>Less: Non qualifying expenditure</u>		
Gifts in kind		
Claims 1 - 13	109,691	
Volunteers time		
Claims 1 - 13	633,307	742,998
		<u>1,014,413</u>
Grant funding to date		
HLF Claims 1 - 13	716,869	
<u>Less: Funding capital additions (£16,715 x 40.79%)</u>	(6,818)	710,051
		<u>304,362</u>
OTHER INCOMING RESOURCES		
Fylde Borough Council	300,000	
<u>Less: Deferred income element</u>	(60,464)	
Country Houses Foundation	28,800	
Fylde Borough Council: Coastal Revival Fund	30,000	
J P Getty Charitable Trust	50,000	
Harold Bridges	2,000	
Lancashire Environmental Fund	40,000	
Monument Trust	200,000	
Veolia Environmental Trust	20,828	
	<u>611,164</u>	
Public appeal/donations	151,287	
<u>Less: Retained on bank deposit</u>	(25,074)	
	<u>737,377</u>	
<u>Less: Certified spend</u>		
Joinery workshop	(25,993)	
Conservation management plan for park land	(7,000)	
Conversion of stable block to incorporate visitor and volunteer facilities	(39,000)	
Capital project costs	(18,585)	646,799
		<u>646,799</u>
Excess deemed restricted funds		<u>£ 342,437</u>