

DECISION ITEM

| REPORT OF | MEETING | DATE | ITEM NO |
|-------------------------------------|---------|---------------|---------|
| DEVELOPMENT SERVICES DIRECTORATE | COUNCIL | 25 MARCH 2019 | 11 |

FAIRHAVEN HERITAGE LOTTERY PROJECT

PUBLIC ITEM

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

SUMMARY

At its meeting on 14 March 2019, Tourism and Leisure Committee recommended to Council to approve a fully-funded budget increase of £2,317,497 for the Fairhaven Lottery Project, and to authorise proposed expenditure as detailed below.

RECOMMENDATIONS

Council are recommended:

1. Accept the recommendations of Tourism and Leisure Committee and approve 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

Tourism and Leisure Committee – 14 March 2019 RESOLVED:

1. To 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.

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 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

8. 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 |
| | | |

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|---------------------------|--|-------------------|
| 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 |

9. 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

10. 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.
11. 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.
12. 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.

| 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 |
| Tourism and Leisure Committee | 14 March 2019 | Tourism and Leisure Committee Report |