

Subject:	Whitaker Heritage Grant	Status:	For Publication
Report to:	Council	Date:	6 th July 2016
Report of:	Director of Business	Portfolio Holder:	Leader
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Community Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	Members note the positive progress and opportunities brought about through strong partnership work for these projects.
1.2	Members approve in principle financial support to the sums proposed in the grant application.
1.3	Members approve the introduction of a lease over a longer term than the existing license to cover the additional property to be improved.
1.3	All future negotiations and minor amendments to be delegated to the Director of Business in consultation with the Portfolio Holder.

2. PURPOSE OF REPORT

- 2.1 To seek the agreement of Members to submit a Bid to the Heritage Lottery Fund for an extension to the premises and activities of the Whitaker.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **Regenerating Rossendale:** This priority focuses on regeneration in its broadest sense, so it means supporting communities that get on well together, attracting sustainable investment, promoting Rossendale, as well as working as an enabler to promote the physical regeneration of Rossendale.
 - **Responsive Value for Money Services:** This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
 - **Clean Green Rossendale:** This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below.
- Investment in the Whitaker project is phased and the risks are evaluated throughout phase 1 which assesses the sustainability of the project and strength of the operational business case which supports the larger investment from both the Council and Heritage Lottery Fund.
 - The council is providing 10% (£10,000) match funding to phase 1 of the proposal (development phase), and suggesting that should a further phase 2 (delivery phase) be

successful a further £185,000 (section 106 monies) are allocated as 10% match. This may be reduced as a process of fundraising and commercial sponsor identification is required as part of the Phase 1 process. Detailed agreement to proceed with the project should the application be successful will be sought separately.

- In addition to the funding above, it is proposed that the council acts as the accountable body and manages the cashflow for the application.
- This requires a cc 4 month retrospective balance sheet arrangement, in between invoices being paid and the funds being recovered from the HLF. It also poses risks to the Council in relation of unrecoverable costs, from ineligible invoices being paid which could not be recovered from the funding body.
- The HLF funding requirements include an appropriate long term lease being in place (at least 10 years) for the property to be invested in. Measures and conditions to ensure any lease protects RBC's interests are being included.
- Robust management oversight, project management and invoice agreement processes are proposed to mitigate this risk.
- The Council currently provides grant and in kind funding to the Whitaker CIC. A key precept of this project is to reduce costs to the Council and promote their financial sustainability.
- The funding represents a significant opportunity to further improve the performance, heritage outputs and long term financial viability of an important cultural and heritage asset which, although much improved, still requires revenue support. Failure to secure the HLF grant makes it more challenging for partners to reach a revenue neutral position for the council.
- Members will have a further opportunity to agree the allocation of funds and comment on delivery arrangements via a further report should the bid be successful.

5. BACKGROUND AND OPTIONS

5.1 The Council has the Corporate Priority of Regenerating Rossendale and we do this by both working directly with funders and also working with and supporting partners with the development of projects.

5.2 In 2014 Members agreed that the Whitaker would submit a similar bid to the one being proposed today. This bid was not successful, however the HLF welcomed the principles of the bid, and have strongly encouraged the Whitaker and RBC to submit a revised proposal which addresses some technical matters that prevented their acceptance of the previous one.

The Whitaker

5.3 During 2011 the Council sought a new partner to operate and manage Rossendale Museum. The Whitaker Organisation was appointed and began operations.

5.4 Since this time the functions and facilities at the Museum have gone from strength to strength. The Whitaker Organisation has introduced a successful café into the premises, new contemporary exhibitions, theatre and music. To accommodate some of these events the Whitaker Organisation have been given permission to use the yard of the adjacent parks department depot which is housed in the original barn and stables block associated with what is now the museum.

- 5.5 When we sought a new partner we did so in the belief that the Museum, buildings and parkland had much greater potential to become a key facility for Rossendale and a key attraction for visitors. The working approach taken by the Whitaker Organisation has proven this to be the case.
- 5.6 This bid for Heritage Lottery Funding has the aim of bringing the barn and stables block back into more appropriate use as ancillary building to the museum.
- 5.7 Heritage Lottery Fund provided £9,000 of kick start funding to support the process of developing a bid and some of this was used to commission an architect to work with the team to draw up initial concept designs for the project. Following a national architectural competition Day Architectural Ltd in partnership with Purcell were appointed to work with the project team.
- 5.8 Meetings with the area officer from Heritage Lottery have been held and, on the whole, feedback has been very positive.
- 5.9 Rossendale is within the Pennine Lancashire Priority area for Heritage Lottery and whilst the bidding process remains competitive they are keen to support appropriate projects which would bring investment into the Pennine Lancashire area.
- 5.10 The Whitaker project will focus on the refurbishment of the barn and stables block creating additional exhibition, function and training space. As part of it, new and additional cultural and heritage activities will be developed, and piloted during Phase 1. The refurbished buildings would be linked directly to the museum via a newly created café block which would also serve as the main entrance to the premises.
- 5.11 The project will require Operations to vacate the barn & stable block they currently occupy and for a longer term lease to be established with the Whitaker CIC. This is an important requirement of the funding. The proposed Lease will include the key requirements of the existing license, have a ten year term and only extend to the new areas should the funding to improve them be secured. Suitable clauses to protect RBC's interests should the Whitaker CIC not be viable or act appropriately are being included.
- 5.12 The estimated costs for the whole project are £1.95million and the potential grant from Heritage Lottery would amount to 90% of this cost. The Council would need to contribute the remaining 10% (£195,000). The Council currently supports the Whitaker with an annual funding grant of £60k pa plus the cost of utilities and maintenance c £35k pa – part of the business case for the project is to assist the Whitaker Group achieving future financially self-sustainability.
- 5.13 If the bid for heritage lottery was successful, the project would be split into two phases. Phase one has been costed at £100,000 and the Council's contribution would be £10,000. Phase one focusses on the development of more detailed plans, surveys, widespread consultation, thorough testing of the business plan particularly looking at the future sustainability of the facility and a detailed refurbishment plan. These are then submitted to Heritage Lottery Fund as a bid for phase 2 funding. Phase 2 funding provides for all of the works costs associated with the project and would be in the region of £1.85million including a contribution from the Council of £185,000.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 Financial matters are noted in the report.
- 6.2 Given current low interest rates the cost of cash flow support is not material.
- 6.3 As accountable body the Council will have to ensure full compliance with the grant terms to ensure that there is no financial risk to the Council.
- 6.4 The Council currently supports the Whitaker with an annual funding grant of £60k pa plus the cost of utilities and maintenance c £35k pa – part of the business case for the project is to assist the Whitaker Group achieving future financially self-sustainability.
- 6.5 The operational and financial implications of the Council’s Parks team vacating the Barn have yet to be fully quantified.

7. MONITORING OFFICER

- 7.1 Should the project proceed, contracts, leases and grant agreements will be required with the Whitaker CIC and the Heritage Lottery Fund. Procurement activities will need to comply with local government policies and legislation.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 Portfolio holder, bid development workshop, Whitaker CIC Board.

9. CONCLUSION

- 9.1 Regenerating Rossendale is one of the Council’s Key Corporate Priorities and the two projects which are the subject of this report are focussed on realising the real potential of two of Rossendale’s key attractions.

No Background Papers
