

URN: 21-057

Subject: Winter Gardens – National Lottery Heritage Fund Acceptance

Report to: Full Council – 22nd July 2021

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SUBJECT MATTER

On 19th May 2020 the Policy and Resources Committee agreed to further work being undertaken to complete a stage 1 application to the National Lottery Heritage Fund (NLHF) Heritage Horizons Programme for the Great Yarmouth Winter Gardens. In February 2021, Council submitted a next stage application seeking the £9.9M match funding from the NLHF to fully restore and bring back into use the Winter Gardens.

As a result of this bid, the Council has been offered the full £9,977M of National Lottery Heritage Funding (NLHF) as requested under the Heritage Horizons programme, subject to the completion of the development application.

In considering the detail of this report, Members are asked to receive an update of the project and accept the Grant Notification Letter received from the National Lottery Heritage Fund and progress the development application, based on the proposal that the Winter Gardens is restored, celebrated and animated, providing a co-designed complementary mixed use offer, including community outreach and activities, visitor services and interpretation and food / beverage provision.

RECOMMENDATIONS

- 1) That Council approve the acceptance of the development grant of £420,800 and the Terms of the Grant and include a project budget of £810,800 to deliver the development stage of the projects.
- 2) That the capital programme is updated to reflect the delivery of the Wintergardens project totalling £16million along with the financing of the project as detailed in the report.

1. BACKGROUND AND CONTEXT

- 1.1 The Winter Gardens is a Grade II* listed building, a very rare surviving example of a seaside glass house. The building is of national significance and this importance is reflected in the Grade II* listing. The building appears on Historic England's Buildings at Risk Register. It suffers from a range of decay mechanisms affecting the metal frame and the timber fenestration holding the glazing in place. It is vacant and considered to be a dangerous structure.

- 1.2 Previous efforts from officers and professionals alike led the Council to an application to the Heritage Lottery Fund (HLF) in both 2016 and 2017, however, these applications were unsuccessful, with the HLF feedback recommending that further work be undertaken to robustly develop the financial business model, as well as explore more detailed options around the final end use.
- 1.3 During the Spring of 2019, the NLHF launched their new strategy and alongside that they also launched their new programme for projects that are seeking greater than £5M to match fund their capital projects. The council brought together an Expression of Interest (EOI) and submitted to the Heritage Horizons programme in October 2019. Following positive feedback that the Great Yarmouth Winter Gardens had been selected as only one of 18 projects out of an initial 146, the Council were invited to present to the NLHF board which again, led to a positive outcome.
- 1.4 The final EOI application was submitted in February 2021 and was publically announced as a successful project on the 13th July 2021. The Winter Gardens is one of only five selected (out of the original 146 applicants) to be awarded an allocation of the £50million funding Heritage Horizon Awards. The council's application included a request for grant funding for both the development and delivery phases totalling £9,977,100.
- 1.5 This report presents a brief overview of progress, details the budget and requisite funding package, provides an overview of the next steps, and seeks Members' approval for the acceptance of the grant offer as required in line with the project governance arrangements.

2 HERITAGE HORIZONS - APPLICATION STAGES

- 2.1 The Heritage Horizons fund has a number of stages to its programming. These are summarised below. The Council has been successful at both EOI (Oct 2019) and with its most recent application (July 2021). The next step is to complete the development application before the project can proceed to delivering the capital works.
- 2.2 Members should be assured that the NLHF funds have been allocated in their entirety, however, the budget has been disaggregated into the two stages and match funding allocated accordingly. The Council will still need to pass the development application gateway before NLHF will provide approval to proceed to the capital stage.
- 2.3 The NLHF will work collaboratively with the team to ensure that the most robust development phase documents are submitted, and have already provided a step by step account of what work needs completing before the July 2023 deadline as part of the guidance received with the grant offer letter.
- 2.4 A summary of these stages are below:

	Round	Submission Date	Expected / Achieved Outcome due
	Expression of Interest	October 2019	PASSED
1	Next Stage Application	26 th February 2021	PASSED
2	Development Phase	Latest submission July 2023	Three months from submission
3	Delivery Phase	February 2023	N/A
	Winter Gardens Opens		2026

3 WINTER GARDENS – FINANCIAL SUMMARY

- 3.1 The development application was developed by the project team, which includes Council officers, the multi-disciplinary team, with oversight from the Member Working Group to ensure all figures have been robustly developed, with the income and expenditure modelling tested against industry benchmarks. All capital and revenue costs have been reviewed by experts in their field (QS and heritage / conservation experts).
- 3.2 The total project costs within the application for the development phase is £810,800 and including the delivery phase the overall project costs will be £16 million. The requisite match funding package has been disaggregated for each stage and for the development phase is summarised below:

	£000
Total project costs (£)	811
Total Partnership Funding (£) - Business rate Pool	375
Volunteer time	15
NLHF Grant (£)	421
Total income including the grant request (£)	811
NLHF Grant (%)	52

- 3.3 An application to the Norfolk Business Rates pool was previously approved and this provides £375,000 of match funding for the development phase, along with £15,000 of volunteer time. At this stage of the project Council is being asked to accept the development grant of £420,800 and include a project budget of £810,800 to be funded as detailed in the above table to complete the development stage of the project.
- 3.4 Members will be aware that the Town Deal application included an allocation of funding for the project of £4.075 million, which along with the lottery grant allocation of £9.98million totals £14.1million of external funding. Furthermore, as part of approval of the 2020/21 budget Council approved a £1million capital budget for the Winter Gardens to be allocated and used for match funding for the project, along with the assumed external and private sector funding this provides an overall funding package of £16million as summarised below:

	£000
Business Rates Pool Funding	440
Grant - Heritage Fund	9,977
Towns Fund	4,075
GYBC	1,000
Other External Funding	258
Private Sector	250
	16,000

- 3.5 During the development phase the detail of the next delivery stage overall project budget will be developed further, at this time the report is recommending that the £16 million be earmarked within the capital programme as the available funding envelope for the project.
- 3.6 As has been stated, the estimated capital costs of development have been tested by industry benchmarks. Conservation analysis and QS reports were updated during the application process and the estimated capital costs inclusive of a costed risk register (thus adding

robustness to the contingency) as well as healthy contingencies on the new build elements of the project (19%), repairs (16%) and fit out (10%).

3.7 The development stage requires a comprehensive suite of documents such as:

- Provide a Delivery Phase application
- Appoint staff and design team
- Produce partnership agreements and the Operating Plan
- Capital design scheme proposals & costs to RIBA 3
- Secure necessary planning consents
- Produce Activity Plan; Business Plan; Management & Maintenance Plan; Interpretation Plan (with concept plans to RIBA 3) Conservation Plan; Evaluation Plan and Full Risk Register
- Develop digital proposals
- Carry out fundraising
- Evaluate the development phase and provide the Heritage Fund with a report at Development Phase Completion

3.8 The procurement and appointment of a specialist team to complete the work would cost in the order of £810,800 (see table in 3.2). The intention is that the multi-disciplinary team is appointed to complete this phase of work.

3.9 The full match funding package has been assembled and as such presents low financial risks to the Council.

4 RISK IMPLICATIONS

4.1 The main risks in terms of the funding package have been mitigated due to the assembly of the match funding package. There are risks attributed to the delivery (capital) stage of the project. This will be mitigated via the Risk Register and with the detailed planning and financial analysis over the development phase of the project. The contingency levels will be continuously assessed and refined to minimise risk as the project design and contracting strategy develops.

4.2 For all significant construction projects there remains the risk of increasing material costs, these will be reviewed as part of the development stage ahead of progressing to delivery and will be mitigated by a review of the project contingency.

5 SUMMARY AND NEXT STEPS

5.1 The Council was offered the full £9,977M of National Lottery Heritage Funding (NLHF) as requested under the Heritage Horizons programme. This paper provides assurance around the budget package and as a result seeks Members approval to the terms of the offer letter as provided by the NLHF. Members are therefore asked to authorise Officers to accept the Terms of Grant and authorise Officers to proceed to the next stage of the project.

Area for consideration	Comment
Monitoring Officer Consultation:	As part of the ELT process

Section 151 Officer Consultation:	Throughout the development of the project, with feedback and guidance included as part of the paper
Existing Council Policies:	Corporate Plan and Annual Action Plan, Great Yarmouth's <i>Pathway to Recovery</i> normalisation and recovery plan Great Yarmouth Economic Growth Strategy Culture, Heritage and Tourism Strategy
Financial Implications:	As outlined in the Report
Legal Implications (including human rights):	Detailed as per the report and in line with the agreement / signing of the offer letter
Risk Implications:	As identified in report
Equality Issues/EQIA:	Accessibility has been considered throughout the development of the project with an independent assessment at this stage. As part of the next stage there will be an accessibility panel brought together to provide advice, guidance and due diligence to the project in this regard.
Crime & Disorder:	None
Every Child Matters:	Not applicable