

	REPORT TO CABINET TO BE HELD ON 17 OCTOBER 2017				
	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Key Decision</td> <td style="width: 50%; text-align: right;">Yes</td> </tr> <tr> <td>Cabinet Portfolio Holder</td> <td style="text-align: right;">Cllr Derek Bastiman</td> </tr> </table>	Key Decision	Yes	Cabinet Portfolio Holder	Cllr Derek Bastiman
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Corporate Priority To protect and improve our environment, now and for the future					

REPORT OF THE CHIEF EXECUTIVE – 17/230

WARDS AFFECTED: RAMSHILL WEAPONNESS

SUBJECT: SAVING SOUTH CLIFF GARDENS – AWARD OF HLF GRANT

RECOMMENDATION (S):

The Cabinet is recommended to :

1. Approve proceeding with the development stage of the Saving South Cliff Gardens project
2. Accept £334,200 Heritage Lottery Fund grant funding for the Saving South Cliff Gardens project Stage 2 development.
3. Approve the allocation of £90,000 towards the development stage of the scheme to be funded from the Capital Revenue Reserve as approved by Full Council (ref 17/58).
4. Approve entering into a contract with Southern Green Limited to undertake the stage 2 development work and the option to instruct the delivery of Stage 3 should the stage 2 bid be successful.
5. Note that the maximum grant the HLF can award of £5m has been applied for and provide a formal commitment to the HLF to underwrite any further increase in costs in Stage 3 provided that the Council and the HLF have made

a decision that the project should proceed to Stage 3. Provision of this commitment is a condition of the grant, and the Leader is asked to note the strategy within the report to ensure costs remain within budget.

REASON FOR RECOMMENDATION (S):

To save the unique and enchanting heritage of South Cliff Gardens from a point of critical decline and to breathe new life into the Gardens so they appeal to 21st Century communities and become a vibrant and well-used park once again.

HIGHLIGHTED RISKS:

As shown in Appendix A.

1. INTRODUCTION

- 1.1 The Heritage Lottery Fund (HLF) Parks for People initiative presented the opportunity for a funding bid to be submitted to address and improve the condition of the South Cliff Gardens.
- 1.2 The ongoing Spa Cliff Stabilisation Scheme offered the once in a lifetime opportunity to combine the cliff stabilising works at the Spa with a major project to improve the entire South Cliff Gardens.
- 1.3 To this aim on 16 February 2016 Cabinet approved £50k funding for a HLF Parks for People Stage 1 bid (report 16/49 refers).
- 1.4 It is pleasing to report the Stage 1 bid has been successful. In passing the bid at Stage 1 the HLF believe that the project has the potential to deliver high-quality outcomes and value for Lottery funding. A copy of the Stage 1 bid is included in Appendix B and provides the full detail of the proposed works, estimated costs, proposed income and funding that will be developed as a business case in Stage 2.
- 1.5 This report seeks authorisation to proceed to deliver Stage 2. Stage 2 involves the detailed development of the project and the business case. The HLF have offered £334,200 towards the development work for Stage 2, the Council is required to contribute £90,000, with volunteer time contributing £4,850 towards a total Stage 2 cost of £429,145.
- 1.6 If the Stage 2 bid is successful the project will move forward to the final Stage 3 delivery. The HLF have indicatively earmarked £4.7m of funding for this final 3rd Stage. This is intended to be combined with a capital allowance for reinstatement of the Gardens behind the Spa as part of the Spa cliff stabilisation scheme, which with additional income from volunteers and increased revenue opportunities aims to deliver a £7m scheme to improve the whole of South Cliff Gardens.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

2.1 The scheme will underpin a number of the Council's Corporate Plan aims:

Aim 1: Developing a Safer and Stronger Community

Aim 2: Building a Prosperous Community and Creating Quality Environments

3. BACKGROUND AND ISSUES

3.1.1 South Cliff Gardens are located on the South Bay of Scarborough. The Gardens are a designated heritage asset, being listed as a Grade II Historic Garden on the Historic England Register of Historic Parks and Gardens.

3.1.2 The Gardens are the backdrop to Scarborough's iconic South Bay and integral to the fabric of the town, intrinsically linked with the growth of Scarborough as England's first seaside resort.

3.1.3 They have evolved over around 200 years from a series of separate walks and gardens created often for separate user groups, by well known designers and various organisations, but have since morphed into one coherent green space of over 16 Ha.

3.1.4 The Gardens are one of the country's most distinct and enchanting green spaces and an integral part of the fabric of Scarborough but are in a deteriorating condition and need urgent action.

3.2 The project boundary includes the whole of the cliff slope gardens between Spa bridge and Holbeck ravine.

4. CONSULTATION

4.1 A Project Steering Group was set up to produce the Stage 1 bid and included representatives from Scarborough Borough Council, Friends of South Cliff Gardens, and the Groundwork Trust.

4.2 The following key communication tasks will be carried out during the development phase:

- Additional public engagement in the project, exploring further people's relationship with, memories of and aspirations for the Gardens through exhibitions, meetings, coffee mornings, online resources, photo and postcard appeals, storytelling and audio/visual recording. Further development of Heritage Statement documents including liaison with specialist stakeholders and organisations/individuals, e.g. Yorkshire Gardens Trust.

- Consultation and engagement of local people in the design process, e.g. feedback on design proposals and active involvement in design of new features such as play area and sculpture trail.
- Engagement with new and existing audiences to develop activity plan proposals, engage with all audience groups and develop the audience groupings and barriers/opportunities assessment.
- Work in partnership with relevant organisations on activity plan proposals, e.g. The Base, Rainbow Centre, Welcome to Yorkshire, Sheffield International Venues.
- Build and strengthen existing partnerships with Friends of South Cliff Gardens and other community groups to maximise involvement in all aspects of development and plans for delivery, e.g. planting design visits to other gardens. Continue to engage with and build relationships with other groups, particularly those working in areas of deprivation and under-represented audiences, e.g. The Base walking and gardening groups. Work with local groups on fundraising, promotion and engagement, e.g. South Cliff Community Group.
- Work with the South Cliff Community Group who have been heavily involved and very helpful in the development of the Spa Cliff Stabilisation Scheme, to build on the goodwill developed and make use of their local knowledge in the development of stage 2.

5. ASSESSMENT

- 5.1 The principal objective is to save the unique and enchanting heritage of South Cliff Gardens from a point of critical decline and to breathe new life into the Gardens so they appeal to 21st century communities and become a vibrant and well-used park once again.
- 5.2 This can be achieved by a number of objectives:
- Repair and restore the historic fabric of the Gardens to high quality and with respect to the original design intentions;
 - Prioritise this repair and restoration to the areas and features of greatest need and value in order to achieve a realistic project budget;
 - Make the Gardens accessible and welcoming;
 - Reconnect people with the Gardens, attracting new and larger audiences and engaging people with their heritage;
 - Renew the health and tourism benefits that the Gardens were originally created for;
 - Provide a place for people to learn new skills and meet new friends;
 - Add a new layer of horticultural excellence that becomes an exemplar of coastal gardening and increases wildlife and environmental benefits enormously;

- Build on 10 great years of active community involvement with the Friends group to further develop local ownership;
- Provide effective management systems to make the most of the Gardens and safeguard them for generations to come.

This incredible impact will be achieved through an exciting mix of capital works, community involvement and management changes to include:

1. A prioritised package of capital repair and renovation works will be implemented, focussing on the most important and relevant aspects of the Gardens' heritage. The network of paths and steps will be repaired, developing a hierarchy of accessibility with clearly accessible routes and 19% of the total path network stopped-up or converted to natural paths. Trees and vegetation will be restored to the original design intention and complemented by a new layer of modern perennial planting, and vegetation will be better managed in future. Historic features such as shelters, structures and ornaments will be restored. A unified palette of street furniture and signage based on the original designs will be installed. Limited new facilities to engage new audiences such as children's play area, fitness equipment and fairy sculpture trail will be built.
2. Renewed branding and identity across all parts of the Garden will help embed, identify and explain the heritage. Signage, interpretation and activities will tell the stories of the Gardens and their built and social heritage. A new range of interpretation and educational material focussing on the biodiversity and natural heritage of the Gardens will be developed. A wide range of mediums for interpretation will be developed, including information panels and leaflets, education packs, online resources, guided walks and talks. A wide range of audiences will be provided for and interpretation will be high quality and easy to use. Local people will be involved in the design, development and implementation of heritage interpretation.
3. The multi-layered history of the Gardens will be fully documented and presented as a new book and/or series of leaflets. Extensive surveys of the flora, fauna, wildlife and habitats of the Gardens will be carried out and continue to be monitored through citizen science and education projects to evaluate the environmental impact of the project. The Friends of South Cliff Gardens' website and social media platforms will act as an information hub for memories, photos and information about the heritage of the Gardens, and be expanded through this project to accommodate this.
4. A comprehensive training programme for staff and volunteers will provide training, bringing back trailblazing horticultural skills, and providing new skills in community engagement, education and audience development. A new generation will be inspired to care for the Gardens in the future through modern approaches such as a Skills Village, apprenticeships, work experience placements and educational activities for children. The new management structure will have better capacity and resources to develop and pass on the range of skills required to manage the Gardens

effectively and engage people with them. Volunteers will be involved in all stages of the project and the Gardens' on-going management, learning new skills in the process, for example by helping design, plant and manage new perennial planting schemes, helping with family activity days, or recording ecological data.

- 5.3 The majority of the work to undertake this project will need to be carried out by specialist landscape consultants. The HLF does not allow the use of existing Frameworks, and therefore all procurement is required to be undertaken in accordance with EU procurement rules.
- 5.4 A notice was placed in the Official Journal of European Union inviting tenders from suitably qualified and experienced consultants to prepare and submit the stage 2 grant application and also to then project manage, procure and supervise the stage 3 works, should the stage 2 bid be successful. If the stage 2 bid is not successful then the Council would have the option to terminate the contract at the end of stage 2 with no further cost or penalty.
- 5.5 By the due deadline the Council received ten tenders for the services.
- 5.6 The tenders were analysed on the basis of the most economically advantageous tender comprising a cost and quality submission. The evaluation method used was in accordance with the CIRIA Special Publication 117 'Value by Competition' Method 4. The quality of the submission was weighted 60% and the financial element of the submission was weighted 40% in the assessment.
- 5.7 A comprehensive and detailed tender evaluation was undertaken by officers and based upon the tender evaluation, Southern Green Limited are identified as the tenderer providing the most economically advantageous tender in line with the pre-established tender criteria, and are recommended as the preferred consultant for appointment to undertake stages 2 and 3 of the services.

6. IMPLICATIONS

(a) Policy

- 6.1 There are no policy implications as a result of this report.

(b) Financial

- 6.2 In January 2017 the Council was informed that it had been successful in securing grant aid from the Heritage Lottery Fund Parks for People programme for the Stage 2 development phase of the scheme. The intention is that the development phase of the scheme would be financed using the HLF funding and a contribution from Scarborough Borough Council.
- 6.3 The budget for the development Stage 2 is £429,145. This is comprised of:

Stage 2 Funding	£
HLF Parks for People Grant	£334,295
Non cash contributions	£900
Scarborough Borough Council	£90,000
Total	£429,145

6.4 The Council is required to contribute £90,000 towards the development Stage 2 to allow the scheme to progress to Stage 3. The Council contribution is to be funded from the Capital Reserve as approved by Full Council at its meeting on 3 March 2017 (ref 17/58).

6.5 The estimated development Stage 2 costs are:

Stage 2 Costs	£
Professional fees	£336,150
Project staff costs	£65,095
Recruitment	£500
Other	£2,550
Contingency	£20,000
Non cash contributions	£900
Volunteer time	£3,950
Total	£429,145

6.6 Should the Stage 2 bid be successful, the delivery of Stage 3 is proposed as follows:

Stage 3 Funding	£
Spa Cliff stabilisation Scheme (match funded via EA grant)	£1,250,000
HLF Parks for People	£4,665,705
Other (i.e. S106, volunteer time, increased management and maintenance)	£1,119,297
Total	£7,032,002

Stage 3 Costs	£
Repair and conservation	£3,546,453
New building work	£388,330
Preliminaries	£483,600
Delivery phase activity costs	£512,828
Delivery phase other costs	£1,611,791
Total	£7,032,002

6.7 It should be noted that the maximum grant available under the Parks for People programme is £5m. As this first round pass is £100 less than the maximum grant, there is no facility for a grant uplift or grant increase. In light of this the HLF Board of Trustees request that Council formalise its commitment to underwrite any further increase in costs before submission of the second

round application should the Council and the HLF decide to proceed with Stage 3 of the project.

- 6.8 The Council's intention is to ensure that in Stage 2 the designs and costs are within the budgets set out above prior to proceeding to Stage 3. The Council would not proceed to Stage 3 unless it can deliver the project within the budget without any further financial contribution.
- 6.9 In the event that the business case proves unviable at the end of the Stage 2 development phase then the Council could choose not to proceed any further. The Council has asked the HLF for confirmation that should the Council not proceed on the basis that the costs of the project exceed the grant funding available that the £336k Stage 2 grant would not be repayable. The HLF have however been unable to specifically provide this confirmation and there remains a risk that the HLF could seek repayment of this sum if it considers that the Council has acted unreasonably in the conduct of the Stage 2 bid. Whilst there is nothing specific in the HLF's standard terms and conditions of grant to suggest this would be grounds for a claw back, in mitigation of this risk, the Council intends to work with the HLF in the formation of the stage 2 bid to ensure that the project remains deliverable within the current cost estimates. Any further delay at this stage in pressing for this confirmation from the HLF before committing to the delivery of Stage 2 of the project would jeopardise the delivery of the project as a whole.
- 6.10 Phasing of the stabilisation works and the HLF works is of critical importance. The Spa Cliff Stabilisation Scheme is contributing £1.2m towards the HLF works using the EA grant. However the timing of the delivery of the Stabilisation works must align and overlap with the HLF works. If an overlap between the two projects cannot be achieved the Council may be required to contribute the £1.2m match funding for it to proceed as the HLF will not allow the Council's contribution to be expended prior to the Stage 2 approval.
- 6.11 To mitigate this risk and to ensure the required overlap between the two projects, the option exists to delay the delivery of the stabilisation works or attempt to phase delivery of the stabilisation works for example by not completing the landscaping element of the Spa Cliff Stabilisation Scheme to enable it to fall within the timescales of HLF project. Consideration of these options would form part of the development phase of the project, and may be a possible reason that the Council could decide not to proceed to Stage 3.
- 6.12 For the avoidance of doubt this first round pass does not guarantee that this project will receive a second round pass. The HLF receive more requests for grants than can be supported and this proposed second round application will be in competition for funding with other applications.

(c) Legal

- 6.13 There is a requirement to follow the Council's financial and contract procedure rules. This report is part of that process.

6.14 All procurement is required to be carried out in compliance with EU procurement rules. The Council's legal and procurement services have been heavily involved in ensuring all procurement is undertaken in a compliant manner.

6.15 The grant is offered to the Council on the basis of the HLF's standard terms and conditions of grant and the Approved Purposes set out in the permission to start letter. These have been reviewed by Legal Services and are considered acceptable.

(d) Risk

6.16 The risks are set out in Appendix A.

(e) Environmental and Sustainable Development

6.17 As the scheme is developed we will have to consider the impact on the environment and identify the appropriate mitigation measures needed. Consideration will be given to the impacts of the proposed scheme on the following:

- Habitats and protected species
- Soils, hydrogeology and hydrology
- Birds
- Air quality
- Noise and vibration
- Soils and land use
- Archaeology and cultural heritage
- Landscape and visual
- Socio-economic
- Tourism and recreation

6.18 A range of surveys have already been carried out within the Gardens as part of both this proposal and the Spa Cliff Stabilisation Scheme in order to enhance our understanding of the existing environment within the study area. This provides the baseline against which the scheme is assessed to identify potential environmental impacts. The surveys which have been carried out include:

- Phase 1 habitat survey and targeted protected species surveys, including bats, badgers, water voles, and great crested newts;
- Baseline noise survey;
- Ground investigation with collection of soil samples for laboratory analysis;
- Geophysical survey for archaeology; and,
- Site walkovers in order to determine viewpoints to the scheme from the surrounding areas.

6.19 The surveys and assessment work carried out to date did not identify any significant environmental impacts which could affect the viability of the scheme.

(f) Planning

6.20 Planning permission will be required and possibly Listed Building Consent. These applications will be prepared and submitted as part of the projects development.

(g) Staffing

6.21 There is a requirement to dedicate full time staff to this project, and the grant allows for the funding of one new staff member for the duration of the project.

6.22 A new post of HLF Project Officer has been created to fulfil this role.

(f) Others

6.23 I have considered whether the following implications arise from this report and am satisfied that there is no adverse identified implications that will arise from this decision to proceed with the HLF South Cliff project.

Equalities and Diversity, Crime and Disorder, Health and Safety

7. ACTION PLAN

7.1

Permission to start	April 2017
Appoint Project Officer	May 2017
Appoint consultant	September 2017
Submit stage 2 application	August 2018
Stage 2 decision	December 2018
Spa cliff stabilisation works start on site	December 2017
HLF project delivery phase start	January 2019
Spa cliff stabilisation works Completion	July 2019

7.2 It should be noted that there are only two submission dates and decision making panel meetings within the HLF per year, each six months apart. These are :

- August submission for a December decision; or
- February submission for a June decision.

7.3 Therefore if the Council were to miss the August 2018 submission deadline, the next submission deadline would be February 2019 for a June 2017

decision. This would bring the project out of alignment with the Spa Cliff Stabilisation project, and therefore there is some urgency to appoint Southern Green as soon as possible to enable the programme to be met and achieve the £1.2m match funding contribution from the EA Grant.

A handwritten signature in black ink, appearing to read 'Jim Dillon', with a stylized flourish at the end.

Jim Dillon
Chief Executive

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Background papers: None

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT THE REPORT AUTHOR.

Risk Matrix

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	24.11.16	Unsuccessful bid at Stage 2	<ul style="list-style-type: none"> • Scheme will be fully undeliverable. 	<ul style="list-style-type: none"> • Detailed and robust Stage 2 bid 	A5	A5	S Rowe	
2	24.11.16	Delays to the project caused by risks	<ul style="list-style-type: none"> • Delivery of the scheme may be delayed. • Additional cost incurred. • Extended programme. • Possible misalignment with Cliff Stabilisation project. 	<ul style="list-style-type: none"> • Detailed and robust investigations carried out and site information provided. • Detailed and robust programme and costings • In the first instance the project contingency will be utilised to fund any cost over-runs. • In the event that the contingency is insufficient, dependent on the cause of the cost overrun additional contributions may be sought. 	B2	A2	S Rowe	
3	24.11.16	Project is unviable at Stage 2	<ul style="list-style-type: none"> • Scheme may be rejected by HLF. • Scheme may be unaffordable for SBC • Project not progressed. 	<ul style="list-style-type: none"> • Costs to be managed within budget. 	C3	B2	S Rowe	
4	24.11.16	HLF seek to claw back stage 2 grant if SBC decide not to proceed to stage 3.	<ul style="list-style-type: none"> • Up to £334k may be repayable 	<ul style="list-style-type: none"> • No reference to this being a reason for grant reclaim in the HLF contract. • SBC to confirm in writing to HLF that we are 	A1	A1	L Dixon	

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
				proceeding with stage 2 on the basis the grant will not be reclaimed if stage 3 does not progress.				
5	24.11.16	Breach of EU procurement rules or strict interpretation of procedural error in audit	<ul style="list-style-type: none"> All or part of grant may be requested to be repaid. Up to £334k may be repayable 	<ul style="list-style-type: none"> Compliant procurement procedures Involvement of legal and procurement services 	A2	A2	L Dixon	
6		Programmes for the Spa Cliff Stabilisation Scheme and the South Cliff Gardens HLF Scheme do not adequately overlap to allow a financial contribution to be made from the Spa Cliff stabilisation Scheme to the HLF Scheme.	<ul style="list-style-type: none"> South Cliff Gardens HLF project would be undeliverable without sourcing an alternative £1.2m contribution. Alternative contribution would have to be made by SBC or another third party beneficiary. Potential for delay to Spa scheme to enable an overlap to be achieved. 	<ul style="list-style-type: none"> Council agrees to underwrite £1.2m to allow the HLF scheme to progress. Council would be responsible for sourcing £1.2m contribution 	C3	C3	S Rowe	

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
		A	B	C	D	E
	Likelihood					

Likelihood:

A = Very Low
 B = Not Likely
 C = Likely
 D = Very Likely
 E = Almost Certain

Impact

1 = Low
 2 = Minor
 3 = Medium
 4 = Major
 5 = Disaster

Appendix B

Saving South Cliff Gardens

Stage 1 Parks for People Application – to be published separately

August 2016