

	<b>REPORT TO CABINET TO BE HELD ON 12 FEBRUARY 2019</b>	
	<b>Key Decision</b>	<b>YES</b>
<b>Corporate Aims</b>  <b>Place People</b>	<b>Forward Plan Ref No:</b>  <b>Cabinet Portfolio Holder</b>	<b>Cllr D Bastiman - Leader of the Council</b>

## REPORT OF THE CHIEF EXECUTIVE – 19/004

### WARDS AFFECTED: RAMSHILL WEAPONESS

### SUBJECT: SOUTH CLIFF GARDENS PROJECT

#### RECOMMENDATION (S):

Cabinet to recommend that Council:

1. Note and appreciate the work of local community groups in supporting the South Cliff Gardens project to date.
2. Approve proceeding to the delivery stage of the South Cliff Gardens project;
3. Subject to the approval of the above, approve a scheme budget of £7.032m to cover the capital, project and activity works associated with the project; to be funded as follows: £4.666m Heritage Lottery Fund (HLF) , £1.576m Borough Council resources set aside to progress the capital strategy, £194k match funding from the Spa Coastal Protection scheme budget, £133k from Section 106 contributions, £117k from local fund raising, £235k from additional income, and £111k from in-kind contributions;
4. Note that to progress the scheme the Council must underwrite potential funding and income shortfalls that may arise on the £194k match funding, £133k Section 106 contributions and £235k additional income. Any positive or negative variation in the amounts received from these areas will directly impact the Council's contribution to the scheme;

Cabinet are recommended to:

5. Accept £4.665m (66%) HLF grant funding for the project and approve entering into the grant funding agreement in Appendix B, noting that this will include the requirement to register a restriction against the Council's title to the gardens;
6. Instruct the Council's appointed specialist landscape consultant Southern Green Limited to proceed with the delivery of the project, which will include procurement of a suitable specialist landscape contractor for the works;
7. Note that the outcome of the tender of the capital works, and a recommendation to appoint a specialist landscape contractor, will be reported back to Cabinet in due course along with an update on the achievement of income from external funding pledges. The underachievement of income from funding pledges or a higher than anticipated tender price for the capital works may jeopardise the future progression of the scheme;
8. Delegate authority to the Director (LD) in consultation with the relevant portfolio holder to enter in to a funding agreement with the South Cliff Community Group to enable the Council to draw down all monies pledged and raised for the project.
9. Approve that £15k of eligible Section 106 contributions previously committed to Valley Gardens be reallocated to the South Cliff Garden project;
10. Approve that £86k of eligible Section 106 contributions, which are already held or due to be invoiced imminently, be committed to the South Cliff Garden project;

## **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 21<sup>st</sup> Century communities and become a vibrant, financially sustainable and well-used park once again.

## **HIGHLIGHTED RISKS:**

As shown in Appendix A.

## **1. INTRODUCTION**

- 1.1 Scarborough Borough Council has a strong history of successfully delivering parks projects, and most recently delivered a major project at Pannett Park in Whitby. The HLF Pannett Park project was a catalyst for the successful regeneration of the park in Whitby, and it is anticipated that the project detailed within this report will deliver similar benefits for the South Cliff Gardens area of Scarborough.
- 1.2 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 in Scarborough and at its meeting on 16 February 2016 Cabinet approved £50k funding for the submission of a HLF Parks for People Stage 1 bid (report 16/49 refers).

- 1.3 At its meeting on 17 October 2017, Cabinet was informed that its Stage 1 bid had been successful and provided authorisation to proceed to submit a Stage 2 bid which involved the detailed development of the project. The HLF provided £307k towards the development work for Stage 2, with the Council contributing £90k and volunteer time contributing £5k towards a total Stage 2 cost of £402k.
- 1.4 It is pleasing to report that in an exceptionally competitive funding climate, the Council has now been successful in its Stage 2 application and has been awarded a significant grant of £4.665m for the final delivery stage of the project, against a total project sum of £7.032m.
- 1.5 It should also be noted that the funding relies on a match funding contribution of £194,472 from the South Cliff Stabilisation project.
- 1.6 Within the original stage 1 application the Council's match funding contribution was anticipated to be £1.25m from the South Cliff Stabilisation project, however this is no longer the case.
- 1.7 During the development of stage 2 the works which were anticipated to be eligible as match funding were reduced. The primary reasons were that the HLF would not accept many of the previous items as being eligible as they considered them to be "non-heritage costs".
- 1.8 Officers have raised this concern with the HLF at the highest level, however the HLF are tied by the rules of their grant and are unable to compromise on their acceptance of what is and is not eligible.
- 1.9 Notwithstanding the disappointment of the reduced match funding, the award of this exceptional size grant, coupled with the ongoing Spa Cliff Stabilisation Scheme offers a once in a lifetime opportunity to combine the coast protection works stabilising the cliffs at the Spa with a major project to improve the entire South Cliff Gardens.
- 1.10 This report seeks authorisation to accept the grant and approve the funding contributions required to proceed to deliver the final Stage 3 of the project.

## **2. CORPORATE AIMS**

- 2.1 The scheme will underpin the following Corporate Aims:

**People:** to have a safe, happy, healthy population with people who feel valued and included.

**Place:** to protect and improve our environment, now and for the future.

## **3. BACKGROUND AND ISSUES**

- 3.1 South Cliff Gardens are located on the South Bay of Scarborough, North Yorkshire. 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.
- 3.2 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.
- 3.3 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.
- 3.4 The Gardens are one of the country's most distinct and enchanting green spaces and an integral part of the fabric of the Borough of Scarborough but are in a critical condition and need urgent action.
- 3.5 The project boundary includes the whole of the cliff slope Gardens between Spa bridge and Holbeck ravine. The strategic masterplan for the Project outlining the project boundary is attached at Appendix C.

#### **4. CONSULTATION**

- 4.1 A Project Steering Group was set up at Stage 1 and included representatives from Scarborough Borough Council, Friends of South Cliff Gardens and the South Cliff Community Group. Monthly meetings of the Steering group continued in stage 2 to ensure the community were at the centre of the project governance.
- 4.2 Monthly meetings of the Friends of South Cliff Gardens were held to ensure the group were able to contribute to the project development and were regularly briefed about progress.
- 4.3 Meetings were held with over 300 members South Cliff Community Group at regular coffee mornings and evening meetings. This group is hugely passionate about the garden and cares deeply about preserving their future. The group has supported and facilitated consultation processes throughout the development phase.
- 4.4 A Youth Steering group was set up and workshops were held for the group to contribute to and shape the design of the play space. We consulted with the group on the final result which came back extremely positive; one 12 year old stated "of course we like it, we designed it!"
- 4.5 Regular meetings with the Dementia Action Alliance (DAA) take place and a dementia audit day was hosted with a local group to assess the gardens to see how dementia friendly they are. Advice was collected from people living with dementia on how to improve garden access to become dementia friendly.

Following the audit and design development, a further consultation took place with the dementia groups to ensure the design was as they had hoped.

- 4.6 The project team and the FoSCG have visited other local community groups to gain their thoughts and ideas for the garden including Scarborough Disability Action Group (DAG), Sight Support, refugees, FAST (autism group). Further stakeholder meetings have been held with a range of organisations to identify issues, opportunities and to plan and develop the proposed interventions (both landscape and activities).
- 4.7 A Visitor Survey was conducted with over 100 responses – to establish the demographics of the current park users, as well as barriers to use, needs and opportunities. This was used to provide baseline data, identify key issues and inform the development process.
- 4.8 A Volunteer survey was conducted to identify the needs our volunteers have and the gaps in the support offered from the Council. This has been used to inform the proposals for volunteer participation and training.
- 4.9 The South Cliff Community Group are still holding ongoing fundraising events and have distributed over 6,000 leaflets to generate pledges of support and the income from those pledges are included within the funding projections for the scheme.
- 4.10 Meetings were held with local businesses, artists and residents to discuss opportunities for sponsorship and potential collaborative working.
- 4.11 In June 2018 a Consultation Roadshow was held where draft proposals were displayed at a number of events and were also made available online. Over 60 online responses were received alongside 367 people engaged in the consultation and overall the responses were very positive with nearly 90% of respondents supporting the proposals. The comments were used to further refine the project proposals.
- 4.12 A monthly newsletter was produced to breed transparency throughout the project, celebrate the hard work that was carried out by the community and inform everyone of progress.

## **5. ASSESSMENT**

- 5.1 The principle 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 21<sup>st</sup> century communities and become a vibrant and well-used park once again.
- 5.2 This is supported by a number of objectives for the project:
  - Repair and restore the historic fabric of the Gardens to high quality and with respect to the original design intentions alongside works to stabilise the cliff behind the Spa;

- 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 to all with the creation of an accessible route through the Gardens and accessible visitor facilities;
- 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 socialise;
- Add a new layer of horticultural excellence that becomes an exemplar of coastal gardening and increases wildlife and environmental benefits;
- 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 future generations.

5.3 Seven key interlinked projects have been developed within the masterplan for the scheme:

- 1) Improvements to the most accessible path and the reopening of the Cliff Lift Tunnel.
- 2) Creation of the Clock Café Family Hub including a new play area, repurposing a chalet to create public toilets/changing facilities as well as the creation of space for a pop-up café.
- 3) Establishment of a new Operations Depot to fulfil the future maintenance needs of the site and expand the volunteer involvement improving the future sustainability of the garden.
- 4) Restoration of the Italian Steps - restore both sets of Italianate Steps so that they once more provide a grand transition between the Gardens and the Promenade and the Spa buildings.
- 5) Restoration of Shelters. All 14 shelters and Holbeck Clock Tower are proposed to be restored as well as accessibility improvements.
- 6) Spa Gardens North Stabilisation Area and Reinstatement of the Landscape. The reinstatement works proposed as part of the match funding works from the Spa Cliff Stabilisation Project and the follow on HLF works will ensure the best possible landscape restoration landscape.
- 7) Site Wide Infrastructure Restoration and Enhancement Works - this project includes the majority of the work items including path works, step and wall repairs and new construction, drainage work, tree management and planting works.

5.4 The Round 2 proposals are similar to those of Round 1, with the addition of three new items:

- A new operational depot/community centre;
- Repurposing of a beach chalet to form toilets;
- New accessible paths to key areas - a new path to the Rose Garden from Esplanade and then linking through to new Operations Depot as well as an improved access paths to the Italian Garden.

5.5 The project includes the development of an Activity Plan, with the aims for the Plan being:

- Drive more people will visit the Gardens and be inspired by their experiences there;
- Develop new partnerships and activities, which involve and engage a more diverse audience;
- Enable more people to gain a greater understanding of local heritage;
- Increase skills, learning and employability through a range of training opportunities;
- Provide a range of opportunities for a wide range of local people to volunteer and contribute to the delivery of the project;
- Contribute to improved health and wellbeing for local people;
- Contribute to the development of the visitor economy of the Borough.

5.6 The project includes the capital works required to restore the park and build the new facilities as well as a five-year activity and project plan. The key proposals for the activity plan include:

- Running an all year round programme of events and activities to increase the range of audiences and increase use of South Cliff Gardens to appeal to both residents and visitors within a change in focus across the seasons. Events will include a number of larger scale events supplemented by smaller events outside the main season.
- Delivering 53 training activities for staff and train 200 volunteers utilising the new Operational Centre.
- Development of a structured programme of volunteer participation, which includes developing new partnerships with organisations such as the FirstLight Trust and the Refugee Council.

5.7 In order to carry out the capital construction element of the works, the Council will be required to procure a specialist landscaping contractor. The works will be procured in accordance with EU procurement rules as they will be above the EU procurement threshold.

5.8 It is envisaged that one main contractor will be appointed for the works which will be undertaken between 4Q 2019 and 4Q 2020. The works will be phased so as to keep parts of the park open throughout.

## **6. IMPLICATIONS**

### **(a) Financial**

#### **6.1 Summary of Project Budget and Funding**

6.1.1 The total budgeted cost for the project is set out in Table 1 below:

**Table 1 – Total Project Cost Projections**

	£'000	£'000
<b>Repair and Conservation works</b>		
Maintain and enhance footpaths	1,227	
Planting, trees and habitat management	306k	
Street furniture and signage	139k	
Boundary fencing and railing replacements	244k	
Repairs to existing structures	1,086	
New and replacement lighting	148	
Drainage works	186	
		3,336
<b>New Building works</b>		
Operations centre, toilets and changing facilities	490	
Signage, wayfinding and artwork	96	
Play and fitness equipment	219	
New footpaths	35	
Preliminaries and professional fees	802	
		1,642
<b>Activity Costs (spread over 5 years)</b>		
Project and Community Engagement officer	251	
Training, training placements and travel	91	
Equipment, materials, activity plans and events	194	
		536
<b>Other Project Costs (spread over 5 years)</b>		
Recruitment, publicity and evaluation costs	28	
Contingency allowance	462	
Inflation	369	
Increased management and maintenance	548	
		1,407
In kind contributions		111
<b>TOTAL PROJECT COST</b>		<b>7,032</b>

6.1.2 These costs are based on a detailed cost plan prepared by Southern Green as part of the stage 2 bid. The project covers a five year period from the date of commencement, with activity and project costs being spread over that five year period.

6.1.3 The projected funding for the project, as detailed within the HLF bid, is set out in Table 2 below:

**Table 2 – Total Project Funding Projections**

	£'000	£'000
Heritage Lottery Fund		4,666
In kind contributions		111
External contributions - underwritten by SBC:		
Match funding from Spa stabilisation scheme	194	
Section 106 contributions	133	
Sponsorship and local fundraising (excluding in kind conts)	117	
		444
Additional income generated over the 5 year project period		235
SBC capital contribution		1,576
<b>TOTAL FUNDING</b>		<b>7,032</b>

6.1.4 The risk of any overspends above the £7.032m project budget lies with the Council, although the budget does make provision for £831k in contingency and inflation sums. In addition the Council must underwrite the potential shortfalls in the £444k external funding contributions and £235k additional income shown in the table above. An update on the current position in terms of the external funding sources is provided in Section 6.2 below.

## **6.2 External Contributions underwritten by the Council**

6.2.1 The HLF has agreed that £194k of works included within the overall £7.032m project budget can be delivered through the Spa stabilisation scheme works project, which is funded from a separate Council capital budget and delivered under a separate works contract. This will need to be carefully managed to ensure that the works delivered within the stabilisation contract are in accordance with the requirements of the HLF bid and this will fall under the responsibility of the Council's Projects Officer.

6.2.2 The project assumes that £133k Section 106 monies will be used as funding towards the scheme and eligible agreements equivalent to that sum have been identified. Cabinet has already approved that £32k of the sums identified be committed to the South Cliff Gardens projects, however it should be noted that some of these agreements will expire during 2019. £15k of the identified Section 106 monies are currently committed to the Valley Gardens therefore Cabinet are asked to approve that these amounts be reallocated to the South Cliff Gardens scheme. £16k of the identified contributions have been received by the Council but have not yet been formally committed to the South Cliff Gardens scheme and £70k of the monies have not yet been invoiced, however are expected to become due imminently and still need to be formally committed to the South Cliff Gardens scheme. Cabinet are recommended to approve that these contributions be committed to the project.

6.2.3 The scheme is currently reliant on £117k external cash contributions from sponsorship and local fund raising, in addition to further in-kind contributions. The South Cliff Community Group continue to hold fundraising events to generate this income and have distributed over 6,000 leaflets to date to generate pledges of support. Discussions with the Group confirm that to date the pledges and fundraising income totals £101k, in addition to £10k offered in in-kind contributions such as volunteer time. The Group are committed to continuing with their fundraising efforts and anticipate that the confirmation of the Council and HLF's commitment to the scheme will further increase the offer of financial pledges. An update on these contributions will be provided to Cabinet alongside the report on the outcome of the tender for the capital works contract. The non-achievement of this income would increase the Council's required contribution to the scheme and potentially jeopardise the progression of the scheme.

## **6.3 Council capital / one-off contribution to the scheme**

6.3.1 The Council's draft 2019 Financial Strategy, which is a separate agenda item on this Cabinet agenda (ref 19/44), sets out that a number of funding sources

have been earmarked within recent year budgets to develop a robust, long term capital investment strategy for the Council. It also notes that additions proposed for inclusion within the 2019 Strategy have been restricted pending the approval of an updated Capital Strategy during 2019.

- 6.3.2 The Council recognises that capital budgets do not currently provide sufficient funding to undertake essential maintenance and infrastructure backlog works on the Council's existing asset portfolio, and that this must be considered through the development of the Capital Strategy. An exercise is currently being undertaken to facilitate this by obtaining up to date condition and infrastructure surveys for all assets owned and managed by the Council and this information will be used to prioritise future capital spend and maintenance budgets.
- 6.3.3 The repair and conservation works identified for inclusion within the South Cliff Gardens project includes approximately £3m for areas such as lighting column repairs and replacements, pavement repairs, fencing and railing repairs, shelter repairs, drainage works and repairs to retaining walls; which would all be flagged within the Council's maintenance and infrastructure backlog schedules.
- 6.3.4 It was originally envisaged that a significant proportion of the Council's contribution to the scheme would be funded from match funding on the Spa Cliff stabilisation project, however this is no longer the case and the approval of this project now requires the Council to commit £1.576m of additional resources to the scheme. It is proposed that this amount be funded from the monies set aside for the Capital Investment Strategy. Any positive or negative variations between the external income and funding budgets detailed in Table 2 and the actual amounts received will directly impact on the level of this financial contribution.
- 6.3.5 The Council's contribution to the scheme should be more than outweighed by the reductions in the levels of infrastructure and maintenance works that need to be undertaken within the gardens in future years. It is however likely that the schemes identified for consideration within the Capital Strategy will far exceed the monies available and by committing the monies to this project now the Council is losing the ability to direct the resources to other, potentially higher priority, works or schemes that are identified.

#### **6.4 Revenue Budget Implications**

- 6.4.1 The successful HLF bid incorporates a 10 year business plan, which has been developed by consultants as part of the round 2 application. This business plan incorporates existing revenue budgets currently committed to maintaining the gardens and new revenue costs specifically associated with the project as well as new income generation opportunities.
- 6.4.2 The first 5 years of the business plan costs are covered within the £7.032m project budget detailed above and the existing baseline budget resources already committed to the gardens. Thereafter the Council will be responsible

for any ongoing uplift in the base budget costs. The business plan assumes that, in addition to the existing budget spend on the gardens, the following additional costs will be incurred each year following the completion of the project (i.e. after year 5):

**Table 3 – Projected additional revenue costs following scheme completion**

	<b>£'000</b>
Gardening resources (1 x additional gardener, uplift of Team Leader to Head Gardener and 1 x additional apprentice)	51
Community Engagement Officer	43
Enhanced landscape maintenance	16
Play area grounds maintenance	4
Costs of public conveniences	11
Costs of operations centre	11
Sinking fund and minor repair works	23
Marketing and publicity	4
<b>TOTAL ADDITIONAL COSTS</b>	<b>163</b>

- 6.4.3 The business plan prepared by the consultants includes a range of income generation opportunities that may be generated as a result of the scheme. This income will directly benefit the Council and the projected income that will be generated over the five-year project period (£235k) has been included within the funding projections to reduce the Council's capital contribution to the scheme. Any variations to the levels of income received over the period will directly impact on the Council's funding requirement.
- 6.4.4 The table below sets out the income projections over the five-year project period as well as the baseline projections thereafter:

**Table 4 – Projected additional income following scheme completion**

	<b>Five year projection over the project term £'000</b>	<b>Baseline projection thereafter  £'000</b>
Memorialisation (heritage urns, benches, tree planting and kerb stones)	33	10
Sponsorship and crowdfunding	20	4
Leisure concessions	9	3
Paid for outdoor events and tours of the gardens	52	16
Specialist residential training and workshops	12	6
Sale of plants, maps, books etc. from volunteer hub	12	4
Catering and retail pop up shops	54	18
Public convenience – pay on entry income	39	13

Wedding photographs	3	1
Viewing telescopes	1	0.2
<b>TOTAL</b>	<b>235</b>	<b>75.2</b>

6.4.5 The responsibility for achieving these levels of income will ultimately lie with the Project Manager for the scheme and the Community Engagement Officer.

6.4.6 Other income opportunities identified by the consultant includes an additional £50k from the Spa Lift resulting from a proposal to add a 25p gardens maintenance donation to the lift ticket price. This has been excluded from the income projections as the lift is controlled by SIV Ltd under the terms of the Spa and Whitby Pavilion Service Level Agreement.

6.4.7 The tables above show that the uplift in base budgets, after excluding some sources of potential income, is a net revenue budget growth of £88k. This amount is not recognised within the Council's current financial plans.

## 6.5 Addressing the Budget Growth

6.5.1 It has been identified that the management of the Council's priority park areas is currently fragmented, with a number of different Council service areas being responsible for specific aspects and budgets within the parks but no Service Unit Manager being ultimately responsible for the vision and management of the asset as a whole. It is felt that this results in an uncoordinated and inefficient approach to parks management.

6.5.2 The Council hopes to address this by trialling a more holistic, 'one-park' approach for some parks within the Borough and use these trials as case studies which, if successful, can be applied to other Council managed facilities. It is proposed that the South Cliff Gardens scheme be used as one of these initial case studies alongside Peasholm Park. The HLF, who has previously provided grant funding for Peasholm, has indicated that they would be in favour, and can see the benefits of, the proposed 'one-park' approach.

6.5.3 It is considered appropriate that the overall responsibility for the South Cliff Gardens be given to the Council's Parks service and the overall responsibility for Peasholm be given to Leisure services. On that basis the Council's Operations, Transport and Countryside Manager, or appropriate representative, will be given the responsibility for the delivery of the South Cliff Gardens Business Plan once the capital works are complete, and on that basis will be a key member of the project design and delivery team going forward.

6.5.4 It is hoped that this approach will ensure that the design facilitates the objective of delivering effective management systems for the Park, which are more efficient and effective than the current maintenance regime. This should reduce the Council's ongoing base budget maintenance requirements for the Park as well as maintaining the high quality, enhanced offering required under the conditions of the HLF funding bid.

6.5.5 In addition it is recognised that the South Cliff Gardens project will offer significant regeneration benefits for the areas surrounding the Gardens. Alongside this project the Council will critically review its asset holdings within the vicinity to determine whether additional income can be generated from the pursuance of other commercial opportunities within the area.

6.5.6 It is hoped that the savings and additional income generation opportunities in these areas will more than offset the annual revenue growth currently identified within the Business Plan.

**(b) Risk**

6.6 The risks are set out in Appendix A.

**(c) Legal**

HLF Grant

6.7 The HLF Parks for People grant award letter, standard terms and additional grant conditions are included in Appendix B.

6.8 The grant award letter sets out the approved purposes of the grant monies and the grant will be paid to the Council subject to compliance with the standard terms as well as the additional grant conditions.

6.9 HLF may withdraw the grant if the Council does not commence delivery of the project within 6 months of the date of award letter (10 January 2019). The grant expiry date is 31 August 2022 and no grant monies may be drawn down after that date. The term of the grant is 20 years from the project completion date therefore the Council will be legally bound by the terms and conditions of the grant for that period of time.

6.10 By the terms of the grant the Council is required to immediately repay to the HLF if we fail to comply with the terms of the grant. This includes ensuring that the grant is used for and that the Council achieves the approved purposes of the project as set out in the Council's application for the grant and are set out in the grant award letter at Appendix B. The approved purposes include the Management and Maintenance Plan as well as the Business Plan which both must be updated and approved by HLF prior to project completion.

6.11 The Council is also required to register a restriction against the Council's title to South Cliff Gardens. The restriction will prevent the Council's disposing of asset by sale or lease without prior consent of HLF.

6.12 The grant award letter also includes a number of special grant conditions. Some of these relate to the slope stabilisation works which the Council is carrying out pursuant to its cliff stabilisation contract with Balfour Beatty.

These special conditions are set out in appendix 2 of the grant award letter in Appendix B.

- 6.13 The special grant conditions require the Council to contract with Balfour Beatty under its existing cliff stabilisation contract to carry out certain reinstatement works as part of the South Cliff Gardens Project. These works are already included within Balfour Beatty's existing contract and are estimated at £194k. Balfour Beatty will sub contract this element of work and to ensure best value will obtain competitive quotes from a sub contractor with suitable heritage skills and experience. There is a risk that the quote for these works exceeds the Council's budget. In this event officers would enter into discussions with the HLF on how to best to deliver these works as part of the project.
- 6.14 The HLF grant terms stipulate that the Council is responsible for all project cost overruns.

#### South Cliff Community Group Funding Agreement

- 6.15 The South Cliff Community Group have been fundraising for the project and to date have raised approximately £101k in pledges and £10k in kind. The group continues to fundraise. This report seeks approval to delegate authority to the Director (LD) in consultation with the relevant portfolio holder to enter into an agreement with the group to enable the Council to draw down the monies raised for the project from the group. Initial discussions have suggested that the group would be agreeable to paying a proportion of the monies to the Council at the beginning of the project and then the balance on satisfactory completion of the project.

#### Southern Green Contract

- 6.16 In October 2017 Cabinet approved (ref: 17.230) entering into contract with specialist landscape consultants Southern Green Limited who had been procured in accordance with EU procurement rules as well as the Council's contract procedure rules. Southern Green have undertaken the design of the project works and the development of the bid to the HLF. Southern Green's contract contains an option for the Council to instruct Southern Green to proceed with the delivery of the project should the bid to the HLF be successful. It is therefore proposed that the Council now instructs Southern Green to proceed. Southern Green will undertake the project management and supervision of the project works including administration of the construction contract for the capital works with the specialist landscaping contractor.

#### Contractor for the Works

- 6.17 In addition to the works included in the Council's existing contract for the cliff stabilisation works the Council will procure a specialist landscaping contractor to deliver this project. The contractor will be procured in accordance with EU

procurement rules as well as the Council's contract procedure rules. The outcome of this tender process will be reported back to Cabinet in due course.

**(d) Environmental and Sustainable Development**

- 6.18 Environmental and sustainability proposals are anticipated to be included in the next stage of the design.

**(f) Planning**

- 6.19 The project was considered by the Planning and Development Committee at its meeting on 6 December 2018, when planning permission and listed building consent were both granted.

**(g) Staffing**

- 6.20 There are staffing implications as a result of this report.
- 6.21 The Council has already employed a HLF Project Officer on a fixed term contract to deliver Stage 1 and Stage 2 of the HLF application process. This contract will be extended to cover the duration of the capital works contract and will oversee the smooth delivery of the project, promote community engagement and safeguard the link between the HLF and Spa Stabilisation Project.
- 6.22 A Community Engagement Officer will be employed part way through the delivery project to continue the work of the project manager in terms of community engagement. This postholder, alongside the Head Gardener postholder detailed below, will be responsible for achieving the income targets set out within this report and ensuring that the approved purposes set out in the HLF funding agreement are met, including the implementation of the Business Plan and activity, training and event programmes. .
- 6.23 An existing Team Leader role within the Parks service will evolve to a new Head Gardener role to expand on the unique horticultural resource of the South Cliff Gardens and lift the site into a high standard of horticultural excellence. A Horticultural Apprentice will also be employed based on a successful model employed at Pannett Park, Whitby.
- 6.24 The costs of these staffing variations are reflected within the financial assessment of the scheme.

**(f) Others**

- 6.25 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 South Cliff Gardens HLF Project.

**Equalities and Diversity, Crime and Disorder, Health and Safety**



**Jim Dillon**  
**Chief Executive**

**Author:** Victoria Thompson, HLF Project Officer

**Background Papers:**

Please give details of all publicly accessible (non private) background papers applicable to the report.

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT VICTORIA THOMPSON ON 01723 2323456 e-mail [victoria.thompson@scarborough.gov.uk](mailto:victoria.thompson@scarborough.gov.uk)

## Risk Matrix

<b>Risk Ref</b>	<b>Date</b>	<b>Risk</b>	<b>Consequences</b>	<b>Mitigation</b>	<b>Current Risk Score</b>	<b>Target Score</b>	<b>Service Unit Manager/ Responsible Officer</b>	<b>Action Plan</b>
1	19/12/18	The Council's match funding contributions towards the project are not secured from SBC prior to commencement of delivery.	Grant withdrawn. Project does not proceed Maintenance liability for garden continues	Funding identified.	B4	A4	Director (NE)	None
2	19/12/18	Delays in pre-contract result in cliff stabilisation project and HLF project no longer aligning financially.	Sunk costs on cliff stabilisation project no longer eligible as match funding for HLF project.  Match funding contribution from cliff stabilisation project may not be secured and may have to be funded by SBC.	Early Cabinet decision.	C3	B3	Projects Manager	Discharge permission to start conditions as soon as possible.
3	19/12/18	Conservation Management Plan is not approved by local Planning Authority.	Possible delays to commencing the project.  Match funding contribution from cliff stabilisation project may not be secured and may have to be funded by SBC.	CMP already approved by Historic England.	B3	A3	Projects Manager	Submit SMP for discharge of condition.
4	5/2/19	Sub-contract tenders for the works in the Spa stabilisation area, to be undertaken by Balfour Beatty, exceed the	Project costs increase.  Contingency may become expended.	Project Board to monitor project progress.  Risk contingency in place.	D3	C2	Projects Manager	Obtain permission to start asap. Complete revised landscaping design.

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		budget.	Additional costs may need to be met by SBC or alternative funding identified.					Obtain quotation for a compensation event.
5	5/2/19	Tenders for the works to the rest of the gardens exceed the budget.	<p>Project costs increase.</p> <p>Contingency may become expended.</p> <p>Additional costs may need to be met by SBC or alternative funding identified.</p> <p>Project may not proceed if significant funding gap.</p> <p>Grant claimed against consultants fees may have to be repaid</p>	<p>Project Board to monitor project progress.</p> <p>Risk contingency in place.</p> <p>Tenders to be reported back to Cabinet. If tenders significantly exceed budget the Council may not proceed any further but would have to repay the grant claimed to date.</p>	B3	B2	Projects Manager	Obtain permission to start asap. Complete design. Obtain tenders. Value engineer if necessary.
6	19/12/18	Budget is exceeded due to compensation events arising.	<p>Project costs increase.</p> <p>Contingency may become expended.</p> <p>Additional costs may need to be met by SBC or alternative funding identified.</p>	<p>Project Board to monitor project progress.</p> <p>Risk contingency in place.</p>	C3	B3	Projects Manager	<p>Ensure risks are identified and managed and suitable provision made.</p> <p>Use early warning procedure in contract.</p>
7	19/12/18	Programme is delayed.	<p>Works continue on site for longer.</p> <p>Potential for additional costs if reason for delay is a compensation event.</p>	Project Board to monitor project progress.	C4	B3	Projects Manager	Implement early warning procedure

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8	19/12/18	£117,000 of voluntary sponsorship and cash donation not met.	Additional costs may need to be met by SBC or alternative funding identified.	Over £101k of this has already been pledged.	B2	A2	Projects Manager	Fundraising to continue.
9	5/2/19	Business plan is not achieved.	Expenditure exceeds income. Budget growth may be required.	Dedicated staff posts created to deliver business plan.  Careful and regular monitoring by Service Manager.  Parks Service involved in scheme design and business planning.	C3	B3	Operations, Transport & Countryside Manager	Recruitment of suitably skilled staff.  Regular meetings with Finance staff and budget monitoring.
10	5/2/19	Correction of grant due to failure to meet approved purposes.	Grant may be required to be repaid.	Project Board to monitor project progress and compliance.	B4	B4	Projects Manager / Operations, Transport & Countryside Manager	

**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					

- |   |  |
|---|--|
| <p><u>Likelihood:</u></p> <ul style="list-style-type: none"> <li>A = Very Low</li> <li>B = Not Likely</li> <li>C = Likely</li> <li>D = Very Likely</li> <li>E = Almost Certain</li> </ul> | <p><u>Impact</u></p> <ul style="list-style-type: none"> <li>1 = Low</li> <li>2 = Minor</li> <li>3 = Medium</li> <li>4 = Major</li> <li>5 = Disaster</li> </ul> |
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**Appendix B**  
**Grant Award Letter and Standard Terms of Grant**

**Appendix C**  
**South Cliff Gardens Project**  
**Draft Masterplan**