

This Report will be made public on 13 June 2017

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



Report Number **C/17/14**

**To:** Cabinet  
**Date:** 21 June 2017  
**Status:** Non- key Decision  
**Head of Service:** Katharine Harvey, Head of Economic Development  
**Cabinet Member:** Councillor Collier – Cabinet Member for District Economy

**SUBJECT:** “Spirit of the Leas” Folkestone Coastal Park Heritage Lottery Fund Grant

**SUMMARY:**

Following Cabinet approval in September 2016, a round one grant application was submitted to the Heritage Lottery Fund (HLF) for a project to improve access to Folkestone’s Coastal Park. The round one application was successful and the HLF has awarded SDC a development grant of £40,300 to support a round two submission. This report seeks Cabinet approval for submission of a round two application and, should other contributions fail to materialize, agree to a growth bid item coming forward to be considered alongside other priorities at that time, to provide a match funding contribution of circa £130,000 in 2019/20.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations set out below because:

- a) A decision to accept the round two development grant and allocate resources for delivering the project in 2019/20 would deliver potential benefits for the visitor economy in Folkestone and improve local residents’ quality of life.
- b) There is a need to prioritise Economic Development team resources being used to develop a round two application.
- c) There could be a project funding gap should match funding not be available for the final project from other sources, in the event that a round two bid is approved by HLF.

**RECOMMENDATIONS:**

1. To receive and note report C/17/14.
2. To agree to the development and submission of a round two HLF application.
3. To support SDC officers in taking a proactive approach in identifying and securing external match funding contributions to deliver the necessary project funding and delivery requirements.

- 4. To agree to SDC considering a funding contribution as part of the final HLF project grant allocation as a potential growth bid item, alongside other priorities at that time, in light of other identified contributions.**

## 1. INTRODUCTION

- 1.1 As reported to Cabinet on 14<sup>th</sup> September 2016 (Report C/16//30) the Folkestone Coastal Park “Spirit of the Leas” project aims to restore historic routes and structures at the park and along the Leas and to develop an understanding and appreciation of the roles played by the Park, Leas Cliff Hall and the Leas in Folkestone’s development as a coastal resort.
- 1.2 The project will:
- Restore cliff-paths either side of the Leas Cliff Hall to improve access between the park and town-centre to encourage new users, re-establish views of the park and Hall, and relieve pressure on other routes such as the Pulhamite Zig-Zag Path.
  - Restore heritage features including the Leas subway, air-vents from the Hall’s predecessor the Leas Shelter, and manufacture a mould of the Leas lamp-columns from which new columns will be able to be cast.
  - Interpret the Leas Cliff Hall and Leas cliff-top promenade’s built and social heritage.
  - Engage people through activities centred on music, dance, fashion, architecture and archaeology.
  - Enhance connectivity and pedestrian / tourist movement flow between the town and seafront.
- 1.3 The project is running in parallel with but cannot incorporate the efforts being made by the owners of the Leas Lift to secure funding from HLF to restore and re-open it. The Coastal Park application was developed before the closure of the lift and it is not now possible to include the Lift without starting again and delaying the project. However, help has been offered to the Lift’s owners with their work to secure funding.
- 1.4 Following submission of a round one application in October 2016 the HLF has offered the Council a development grant of £40,300 to support the costs of producing a more detailed round two application. The HLF grant offer letter is attached at Appendix 1. The development grant comprises 80% of the estimated £50,000 costs of commissioning detailed proposals for a round two application. The £10,000 balance of funding for this work is budgeted and can come from the 2017/18 Economic Development Service budget.
- 1.5 HLF requires work to start on developing the round two bid by early September 2017, and for the round two bid to be submitted by 9th March 2019 at the very latest. However, it is expected that the round two bid would be completed by October 2018, with the project itself completed by December 2019, subject to HLF’s approval.
- 1.6 The round one grant offer does not guarantee the ultimate success of the bid, but round two applications are rarely rejected and a successful application would secure a grant of circa £467,000 towards the expected total remaining delivery cost of circa £600,000, which comprises £581,000 capital costs and £18,000 in increased revenue costs over a five year period.

- 1.7 The anticipated £467,000 grant leaves a shortfall of some £133,000 balance of costs which will need to be match funded by local / external partners.
- 1.8 The HLF requires projects of this nature to be maintained by the grant recipient for a period of at least five years. The £133,000 match funding contribution therefore includes the estimated costs for this maintenance which amounts to some £18,000 over the minimum five year period. The remaining match funding contribution of £115,000 need not come solely from the Council's own resources and contributions from other organisations, such as Folkestone Town Council, local trusts and possibly S106 contributions, will be explored.

## **2. BENEFITS OF SCHEME TO SHEPWAY**

- 2.1 Taken together the Coastal Park and Leas comprise one of the district's main "free-to-enter" attractions. The Park has achieved Green Flag status since 2007 and is rated by Trip Advisor as the 9th best out of 862 "things to do" in Kent, attracting some 500,000 visitors annually.
- 2.2 The 2015 Cambridge Model estimates average day visitor spend in Shepway at £30. Therefore, assuming visits to the Park are generally of a half-day duration, the Park could be attracting around £7.5 million annually to the district. The proposed improvements to the Park will help to increase the Park's attractiveness and connectivity with Folkestone town centre to visitors and residents, thereby supporting the local economy.
- 2.3 The project fits well with new Corporate Plan priorities including:
- Maintaining and improving natural and historic assets;
  - Working with partners to boost the appearance of the district;
  - Providing clean and well maintained public spaces;
  - Protecting and managing the coastal sites in an environmentally sustainable way;
  - Promoting healthy lifestyles within our communities;
  - Ensuring access to high quality open space; and
  - Exploring alternative income streams including commercial opportunities.
- 2.4 The project will support the Economic Development Strategy and in particular it will:
- Enhance our towns and coast to attract visitors to the area and inward investment;
  - Improve connectivity in Folkestone between the town and seafront;
  - Enhance and develop Folkestone as an internationally recognised tourist destination; and.
  - Maximise the economic benefits of the coast through encouraging the full enjoyment of the asset.

2.5 The project is expected to fit well with the Heritage Strategy when it is released, and the project has also been identified as one of the Folkestone Coastal Community Team's Economic Plan goals/actions.

### 3. CHALLENGES TO SDC

3.1 At present no internal funds for the SDC contribution towards this project has been identified beyond officer time. There is an estimated capital requirement of some £133,000 from match fund sources towards the project in 2019/20 including approximately £3,600 per annum required to maintain the asset from the grant recipient.

3.2 While much of the work to produce the round two application will be commissioned from consultants using the HLF's development grant, the process will require the involvement of officers from various services, particularly Economic Development, Grounds Maintenance, Communities and Property. If the round two bid is successful the implementation of contracts and provision of monitoring to meet HLF's requirements will also require involvement from across SDC services.

3.3 The HLF has advised that if there is significant doubt about the stage two bid, and delivery of the project more broadly, it would be preferable for the Council to withdraw at this stage.

3.2 In view of this there is a need for Cabinet to re-affirm its commitment to the project and to agree that Economic Development team resources are prioritised to develop the round two bid and explore alternative funding sources. Moreover, if alternative external financial contributions towards the final project match funding required fail to materialise, a growth bid item for SDC funds in 2019/20 will be submitted which will be considered alongside other budget pressures at the appropriate time.

3.3 In summary there is a risk that:

- Economic Development team resources and input from other departments required to develop the round 2 bid in 17/18 will not result in a successfully delivered project; and
- There is potential reputational damage to SDC should the Council submit a stage 2 bid and then need to decline the grant (if the bid was successful) if the required match funding cannot be found.

### 4. RISK MANAGEMENT ISSUES

4.1

Perceived risk	Seriousness	Likelihood	Preventative action
The council accepts the development grant and produces a round two submission but	High – loss of officer time over lengthy period and £10,000 development contribution	Low	The HLF has said that it is rare for a round two submission to be rejected provided that applicants work closely with them during the development stage.

this is unsuccessful	from SDC made in 17/18.		Therefore a close working relationship will be established.
The council chooses to accept the development grant and produces a successful round two submission but the match funding required to take the final project forward is not found.	High – significant funds will be lost to other heritage projects in the south east region with adverse impact on the council’s reputation and risks to future bids for HLF grants.	High – significant pressures are likely on future SDC budgets.	<p>Cabinet decision is made at this stage to support taking the risk.</p> <p>The benefits of the project are conveyed well in order to secure the match funding contribution for the final project.</p> <p>Proactive efforts are made to secure sources of funding towards the required match funding for the final project as an alternative to SDC as soon as possible.</p> <p>A Growth Bid item comes forward for spend in 2019/20.</p>

## 5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

### 5.1 Legal Officer’s Comments (DK)

There are no legal implications arising directly out of this report other than those already identified in the report. The match funding payments required of the Council towards the project are clearly an important undertaking and one which must be honoured by the Council; in the event of the Council being unable to source such match funding, the Heritage Lottery Fund require being put on notice prior to the end of the development phase (which is being sponsored by the initial payment). (Legal Services have been informed by the Heritage Lottery Fund that the terms and conditions upon which it requires beneficiaries to undertake prior to accepting a grant are not negotiable.)

### 5.2 Finance Officer’s Comments (AK)

The financial implications are set out in paragraphs 3.1 to 3.4 above. As stated there are no financial resources set aside in forward plans at this stage

### 5.3 Diversities and Equalities Implications (DI)

There are no diversities or equalities implications arising.

## 6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Telephone: 01303 853474

Email: [dave.illsley@shepway.gov.uk](mailto:dave.illsley@shepway.gov.uk)

The following background documents have been relied upon in the preparation of this report:

**Appendix 1: HLF Stage 2 Grant Offer letter**