

**REPORT TO:** Cabinet

**DATE:** 15<sup>th</sup> April 2010

**SUBJECT:** Kings Gardens, Southport

**WARDS  
AFFECTED:** Cambridge, Meols, Norwood, Kew, Dukes, Birkdale,  
Ainsdale.

**REPORT OF:** Andy Wallis, Planning and Economic Regeneration Director

**CONTACT  
OFFICER:** Andy Wallis, Planning and Economic Regeneration Director  
Ext: 3542

**EXEMPT/  
CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

Further to consideration of the Kings Garden's scheme by Southport Area Committee about the use of s106 resources to provide the funding match required by Heritage Lottery Fund, to seek Cabinet approval to include the Scheme in the Capital Programme underwritten until sufficient s106 resources are generated.

**REASON WHY DECISION REQUIRED:**

In response to an offer of revised grant terms, to provide confirmation to Heritage Lottery Fund of the Council's support for the scheme and allow progress to be made with a Stage II application for grant funding.

**RECOMMENDATION(S):**

1. That Cabinet note the Area Committee's decision on the allocation of future s106 resources to provide the funding match required by Heritage Lottery Fund.
2. That Cabinet be asked to include the Kings Garden Scheme in the Capital Programme with the Council's contribution funded as indicated in 1, underwritten until sufficient s106 resources are generated.
3. That Officers prepare the stage 2 submission to HLF on the basis of the revised terms advised by HLF.

**KEY DECISION:** Yes,

**FORWARD PLAN:** No – Rule 15 Form submitted to the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services)

**IMPLEMENTATION DATE:** Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting. Detailed scheme design during 2010/11 and 2012, with stage II application to HLF and, subject to grant approval, works to commence on site from 2012/13.

**ALTERNATIVE OPTIONS:** The scheme is unable to proceed with consequential implications Southport’s tourist offer, future maintenance liabilities and developability of the adjoining Marine Park.

**IMPLICATIONS:**

**Budget/Policy Framework:**

**Financial:**

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2009 2010 £'000</b>	<b>2010/ 2011 £'000</b>	<b>2011/ 2012 £'000</b>	<b>2012/ 2013 £'000</b>
Gross Increase in Capital Expenditure		384	96	2,520
Funded by:				
Sefton Capital Resources				
Specific Capital Resources		384	96	2,520
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N		When?		
How will the service be funded post expiry?				

**Legal:**

**Risk Assessment:**

**Asset Management:**

**CONSULTATION UNDERTAKEN/VIEWS**

FD 360 - The Interim Corporate Finance and ICT Manager's comments have been incorporated into this report.

**CORPORATE OBJECTIVE MONITORING:**

<b><u>Corporate Objective</u></b>		<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
1	Creating a Learning Community		✓	
2	Creating Safe Communities	✓		
3	Jobs and Prosperity	✓		
4	Improving Health and Well-Being	✓		
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities	✓		
7	Improving the Quality of Council Services and Strengthening local Democracy		✓	
8	Children and Young People	✓		

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

None

## **1. Background**

- 1.1 This has been referred to the Southport Area Committee meeting on 31<sup>st</sup> March following a briefing to Area Committee Members on 3<sup>rd</sup> March about the use of future s106 receipts to provide the funding match required by Heritage Lottery in support of this scheme. At the briefing meeting Members offered strong support for the use of s106 for this purpose. The Leaders have also indicated support subject to the Area Committee's endorsement. As HLF had asked for a response to their proposals by 5<sup>th</sup> March, feedback has already been given to them.

## **2. The need for Improvement**

- 2.1 The business case demonstrating the need to improve Kings Gardens is demonstrated as follows:

- Tackling the quality of the seafront environment is a key aim of the Southport Visitor Economy and is necessary to fully realise the anticipated regeneration benefits of the Southport Marine Park development opportunity.
- King's Gardens will play an integral role in any proposals that come forward for Marine Park. This includes the need to improve the environment, infrastructure and connectivity between the town centre and the seafront.
- This area of the seafront suffers from the highest incidents of recorded crime and anti social activity. The Council also has a liability as the owner of the land.
- It is predicted that due to the long-term nature of the deteriorating infrastructure of the buildings, lighting, Venetian bridge and lake edge, King's Gardens will require significant investment over the next few years, independently of whether the Marine Park development comes forward.
- Kings Gardens is a heritage asset and is listed as Grade II with 9 shelters protected under the Listing Buildings and Conservation Areas Act 1990 for which we have a legal responsibility for maintenance.

## **3. Heritage Lottery**

- 3.1 An application for improvement of Kings Gardens received a Stage 1 pass from the HLF Parks for People Programme in April 2009 with an award of 50% grant towards the development stage costs. This application anticipated grant funding of 50% towards the eligible remedial works costs which was subject to a further, detailed stage 2 submission and approval process by HLF.
- 3.2 However, at the meeting of Cabinet in December, recognising pressures within the Capital Programme, Members agreed to SAMG's recommendations not to proceed with the scheme.

3.3 On being advised of this decision, HLF has indicated its willingness to improve the terms of their funding assistance in an effort to retain the scheme. This will be the largest single grant awarded by HLF in the North West to parks.

#### 4. Financial Implications

4.1 The development stage, shown as (i) in the table below, remains as unchanged, with the Grant Intervention Rate (GIR) remaining at 50%

4.2 However, the delivery stage, (ii) in the table below, has been restructured by HLF to increase their GIR to 75% but with the total grant capped at £4.079m. This means that Sefton's match funding requirement for the scheme's delivery stage is reduced from £2.3 to £1.36m. (The figures shown in parentheses are the original amounts based upon a 50% GIR).

**The table also demonstrates the overall funding profile.**

	Development Stage (i)			Delivery (ii)				Total (ii) £'000
	10/11 £'000	11/12 £'000	Total (i) £'000	12/13 £'000	13/14 £'000	14/15 £'000	Other Years	
HLF Parks for People	192	48	<b>240</b>	1,889.5	1,889.5	150	150	<b>4,079</b>
Match Required	192	48	<b>240</b>	630 <i>(1112)</i>	630 <i>(1094)</i>	50 <i>(37)</i>	50 <i>(74)</i>	<b>1,360</b> <i>(2,317)</i>
<b>Total</b>	384	96	<b>480</b>	2,519.5 <i>(2,779)</i>	2,519.5 <i>(2,734)</i>	200 <i>(93)</i>	200 <i>(186)</i>	<b>5,439</b> <i>(5,792)</i>

#### 5. Use of S106 Resources as Match Funding

5.1 Further to member briefing, the Area Committee at its meeting on 31<sup>st</sup> March is asked to agree to commit future s106 receipts from future developments in Southport to provide the capital match required to draw down HLF support for Kings Gardens.

5.2 This practice has been successfully used elsewhere in the borough to support the development of the Litherland Sports Park and is also proposed in support of the Netherton Activity Centre.

5.3 In recent years over £1m of s106 money has been invested in Southport improvements, a key beneficiary has been the works carried out in Lord Street.

5.4 Within the Southport Area Committee boundary, there are 41 extant planning permissions with s106 agreements in place which, if implemented will provide

further funding for greenspace and tree planting. Together they amount to £1.05m

- 5.5 Of these permissions, eleven are expected to produce payments in the total sum of £478,000 in the near future relating to schemes in Kew (£405,000), Norwood (£30,000), Cambridge (£25,000) and Dukes (£18,000).
- 5.6 It is reasonable to expect that in the period between now and 2012/13 further permissions with s106 commitments will be agreed. Until such time that sufficient s106 resources have been received, Cabinet will be requested to underwrite the capital cost of the project in the Capital Programme.

## **6. Recommendations**

1. That Cabinet note the Area Committee's decision on the allocation of future s106 resources to provide the funding match required by Heritage Lottery Fund.
2. That Cabinet be asked to include the Kings Garden Scheme in the Capital Programme with the Council's contribution funded as indicated in 1, underwritten until sufficient s106 resources are generated.
3. That Officers prepare the stage 2 submission to HLF on the basis of the revised terms advised by HLF.