

Report

Cabinet



Part 1

Date: 22 February 2021

Subject **Transporter Bridge Heritage Fund Application**

Purpose The purpose of this report is to update Cabinet regarding the Heritage Fund Application for funding to repair and restore the Transporter Bridge as well as provide a new visitor centre. Agreement is also sought to proceed with the project and to underwrite the unconfirmed funding element within the project budget.

Author Culture and Continuing Learning Manager

Ward Lliswerry and Pillgwenlly

Summary The National Lottery Heritage Fund approved the Council's application for funding to repair and restore the Transporter Bridge as well as provide a new visitor centre in December. The Council now needs to formally accept the award and fulfil a number of obligations before the Heritage Fund grants 'permission to start'

The application's project budget includes an element of unconfirmed funding. Fundraising will continue throughout the life of the project and beyond. The application therefore includes an indicative figure of the level of matched funding that is likely to be raised over the life of the project. It is necessary for the Council to underwrite this figure before permission to start is granted. Additionally, Welsh Government has formally yet to offer a Tourism Investment Support Scheme grant of £1.5 million towards the project, and this needs to be in place before the Council can accept the award.

Details of the project budget are included in the report. The maximum underwrite figure for the unconfirmed funding is 365k. However, this figure is the maximum potential cost and would only be realised if not a penny more was raised.

Proposal i) **To accept the award of £8.7 million, subject to Welsh Government confirming the Tourism Investment Support Grant as matched funding; and**
ii) **provide National Lottery Heritage Fund with an agreed underwrite for the unconfirmed matched funding.**

Action by Culture and Continuing Learning Manager

Timetable Immediate

This report was prepared after consultation with:

- Acting Head of Regeneration Investment and Housing
- Cabinet Member for Culture and Leisure
- National Lottery Heritage Fund Case Officer
- Visit Wales Case Officer – Welsh Government
- Head of Finance – Chief Finance Officer
- Head of Law and Regulations – Monitoring Officer

- Head of People and Business Change

Signed

Background

The Council submitted a round 1 application to National Lottery Heritage Fund (NLHF) in December 2017. The application received a stage 1 pass and the Council was provided with approximately £1m to carry out the feasibility and design work necessary to submit a round two bid. The Council submitted its stage 2 application at the end of August 2020 and we were informed in December that this application had been successful and a public announcement was made on January 22nd 2021.

The grant unlocks £8.7m to undertake a comprehensive repair and restoration project and build a new visitor centre.

The Council has allocated £1m from the Capital budget to provide a portion of the necessary matched funding. The project team submitted an application to Welsh Government for a further £1.5 million pound support package for the project through Visit Wales' Tourism Investment Support scheme. Welsh Government officials are currently going through a due diligence process but have indicated the money required is available in their capital fund. Welsh Government also provided National Lottery Heritage Fund with a statement that provided sufficient support to enable NLHF to make the award.

The Council is aiming to obtain permission to start as soon as practicable to enable work to start on site in May. The building project will take a little over twelve months and the project aims to hand over the Bridge and the new visitor centre to the Council in September 2022 in readiness for re-opening in spring 2023. The Bridge will then enjoy two seasons of supported activity part funded by NLHF.

The success of the Bridge as a visitor attraction is key to its longer-term sustainability. A comprehensive maintenance plan has been developed as part of the application process and this includes an annual contribution to a maintenance reserve. Fundraising will continue beyond the project life cycle and will become part of the Bridge's future activity.

The funding agreement with National Lottery Heritage Fund will require a form of security to ensure compliance with grant conditions. This is likely to take the form of a restriction against title. This will prevent the Council from selling or granting any other legal interest in the Transporter Bridge during the grant period without National Lottery Heritage Fund's express consent. This is a normal arrangement for regeneration projects.

Financial Summary

The project income summary is set out here

Source of Funding	Description	Secured ?	Value
NCC	Capital Budget	Yes	£1,000,000
Other public sector		No	£30,000
Central Government	Welsh Government - TISS	Requested	£1,500,000
Private Charitable Fund Donation		No	£200,000
Commercial/Business	Sponsorship	No	£50,000
Other Fundraising	Local Fundraising	No	£100,000
HLF grant request		Agreed	£8,756,000

The unconfirmed funding elements include applications to the PRISM fund (Preservation of Industrial and Scientific Material) and Wolfson foundation. Wolfson invited a round two application for submission at the end of August but was been delayed to February this year due to Covid. A target of 150k for local fund raising and sponsorship is also included, which is modest for a project that will generate significant publicity and profile. The Friends of Newport Transporter Bridge have approximately 15k in the appeal fund to date. The unconfirmed funding total is £380,000, however the 15k in hand reduces the total to £365,000; this represents the maximum liability if all applications are rejected and not a penny more is raised through popular fundraising and sponsorship.

There will be further opportunities to apply for further funding, particularly to support activities and events scheduled for the two years of heritage fund supported activity. The success of the fundraising effort will depend on everyone in the Council embracing the project and supporting the fundraising initiative.

Welsh Government are completing the due diligence processes for the Tourism Investment Support Scheme application. However, it should be noted that Welsh Government were able to provide National Lottery Heritage Fund case officers with a high degree of confidence regarding the outcome of the application. Should this application be rejected, then a report will be brought back to Cabinet to enable them to reconsider whether the project can be supported.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to raise further matched funding	M	L	The project team will continue to apply for additional funding and actively seek fundraising opportunities	Culture and Continuing Learning Manager
Delay to the project while matched funding is confirmed will mean tendered prices cannot be held leading to an overall price increase	H	M	A council underwrite of the unconfirmed funding will remove this risk by allowing the project to start on time	Culture and Continuing Learning Manager

Links to Council Policies and Priorities

The Transporter Bridge is the most iconic feature on Newport's skyline and investment in its repair and restoration will support the environment and economy, contribute to the City's regeneration and support businesses directly through and injection of 11 million into the post Brexit economy. The visitor offer will encourage outdoor activity through active travel. A significant visitor segment currently visit the bridge as a stop on the Wales Coastal Path and the National Cycle Route network. Once reopened we expect this segment to grow.

The plans for the Transporter Bridge headline the Thriving City chapter of the Corporate Plan 2017 -2022

Options Available and considered

The options are:

1. to underwrite the unconfirmed funding (subject to welsh Government funding being confirmed) or,
2. to extend the period before permission to start is granted.

Preferred Option and Why

Option 1

The preferred option is to accept the award and to underwrite the unconfirmed funding element to enable the project to start on time. By delaying the project in order to secure the balance of the project cost through on going fundraising, there is a risk that we will breach the grant offer expiry date and the tender prices changing. A delay will potentially affect the overall cost of the project and any additional cost will have to be met from Council resources and further fundraising. Accepting the grant will be dependent on Welsh Government agreeing the Tourism Investment Support Scheme package. Should this be rejected, the matter will be brought back to Cabinet.

Comments of Chief Financial Officer

Prudent operational limits on the level of capital expenditure funded by borrowing are set annually by the Treasury and Capital strategies. The capital programme needs to be managed within those limits. By accepting the funding from HLF for the delivery stage of the project, the council is agreeing to underwrite £365k of funding which has not yet been confirmed. Whilst this is the maximum that the council will be expected to contribute, this still a significant amount that the council will have to commit out of the limited capital resources that is available.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. The Transporter Bridge is a listed structure and property asset, which is no longer part of the adopted highway, and the grant funding can be utilised for the purposes of its improvement and conservation. The acceptance of the National Lottery Heritage Fund grant will require a legal form of security to ensure compliance with the grant conditions. The Council does not have the statutory power to grant a legal charge over any of its property or assets but a restriction can be placed against the legal title to the land on both sides of the bridge, to prevent any disposal in breach of the grant conditions during the relevant grant period. The allocation of the grant funding is being used primarily for heritage and conservation purposes rather than any direct commercial purposes and, therefore, the acceptance of the funding should not be ant-competitive or constitute unlawful state aid. The acceptance of the funding and the commitment to deliver the project will also require the Cabinet to effectively underwrite the gap funding of up to £365k in the event that some or all of this additional funding does not materialise.

Comments of Head of People and Business Change

This report is an update of the Heritage Fund Application to repair and restore the Transporter Bridge as well as provide a new visitor centre. The report also seeks agreement to proceed with the project and to underwrite the unconfirmed funding element within the project budget.

At this stage, from an HR perspective, there are no staffing implications to this report.

This proposal has fully considered the five ways of working of the Well-being of Future Generations (Wales) Act 2015 and has also covered the implications from an equalities perspective in the appropriate section of the report.

Comments of Cabinet Member

I fully support the decision to accept the 8.7 million grant offered by National Lottery Heritage Fund. The grant will safeguard the bridge for a further generation to enjoy and make a positive impact on the local economy. I also agree that the Council should underwrite the unconfirmed matched funding in the project

budget. The project will be delivered over 4 years and this should provide ample time to raise sufficient funds to meet the shortfall.

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

The decision set out in this report is neutral in terms of equality. However, the project as whole, has been developed with accessibility for as wider cohort of the population as possible. The visitor centre design caters for the needs of everyone including the provision on a changing space toilet. The exhibition has been developed with physical and intellectual accessibility as key considerations. The design team recognised that not everyone can or wants to climb the 278 steps to reach the top walkway so a virtual recreation of the experience is being created in the exhibition space. The activity plan aims at involving a wide cross section of the community in events and activities.

Children and Families (Wales) Measure

The proposed development seeks to provide a fun and enjoyable experience for children and families. Elements of the display and interpretation will be child focused and provide learning through a fun experience. To date the project has worked with schools to find out what interests children and feedback has been fed into the development of the interpretation plan. Further consultation work will take place this year including children focus groups to further test interpretative ideas.

Wellbeing of Future Generations (Wales) Act 2015

Long term - The project provides a long-term secure future for the Bridge. The Bridge is recognised and the most iconic feature of the Newport's skyline and this project will ensure we pass it on to the next generation in a better condition than when pass to us. We have made great strides in developing the Bridge as a community asset and this project will provide the opportunity to further this work and ensure the Bridge brings maximum benefit to the immediate community of Pillgwenlly as well as making a substantial contribution to the local visitor economy. The protect also provides the opportunity to develop learning assets for local schools and groups and this too will be taken forward the legacy period

Integration – The activity plan has been designed to involve local people and encourage a range of well being outcomes including health, mental health and personal well-being. The educational offer will encourage learning, particularly for children who require a more experiential learning offer to flourish. The Bridge Project capital phase will make a direct impact on the local economy while, over the longer term, the visitor economy will also benefit from a new significant visitor attraction. The new visitor centre has designed with energy efficiency as a key design output.

Involvement - The project team have also consulted the local community and their views have informed key aspects of the interpretation and the proposed activity plan.

Collaboration - The project to date the project has been collaborative in nature working with key specialists including Cadw, Welsh Government and paid expert consultants. The project team have also consulted the local community and their views have informed key aspects of the interpretation and the proposed activity plan.

Prevention - The business plan under pins a long-term maintenance plan designed to reduce the cyclical cost impact of maintenance and periodic capital investment. This new approach to maintenance will ensure the ongoing sustainability of this key local heritage asset for the benefit of the people of Newport.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Consultation

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

Background Papers

None

Dated: 22 February 2021

Date : 26 January 2021