

# North Tyneside Council

## Report to Cabinet

Date: 16 April 2012

ITEM 6(a)

North Shields Fish Quay  
Townscape Heritage Initiative  
Scheme Grant to Tyne and  
Wear Building Preservation  
Trust for the Old Low Light

Portfolio(s): Elected Mayor

Cabinet Member(s): Mrs Linda Arkley

Report from Directorate: Chief Executive's Office

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Wards affected: Tynemouth

### **PART 1**

#### **1.1 Purpose:**

The purpose of the report is to seek approval to award a grant of up to £300,000 for the repair and restoration of the Old Low Light at Cliffords Fort from the Fish Quay Townscape Heritage Initiative Common Fund to The Tyne and Wear Building Preservation Trust.

#### **1.2 Recommendation(s):**

It is recommended that Cabinet

- (1) Approve the award of a grant of up to £300,000 from the Fish Quay Townscape Heritage Initiative Common Fund to Tyne and Wear Building Preservation Trust to support the restoration of the Old Low Light, North Shields Fish Quay;
- (2) Authorise the Head of Regeneration, Development and Regulatory Services in consultation with the Head of Legal, Governance and Commercial Services and the Head of Finance to issue a grant on terms approved by the Head of Legal, Governance and Commercial Services; and
- (3) Authorise the Head of Regeneration, Development and Regulatory Services, in consultation with the Head of Legal, Governance and Commercial Services, to agree the terms of an extension to the Heritage Lottery Fund terms.

#### **1.3 Forward Plan:**

This report appears on the Forward Plan for the period 1 April 2012 to 31 July 2012.

#### **1.4 Council Plan and Policy Framework**

##### **Council Plan**

This report does not relate to any of the council plan priorities but a decision is necessary because we have a contractual commitment to the Heritage Lottery Fund to deliver the critical

project, of which the Old Low Light is a part, within the lifetime of the Fish Quay Townscape Heritage Initiative Scheme

## **Policy Framework**

The Fish Quay and New Quay Conservation Management Strategy was adopted by Cabinet on 16 April 2007. Objective LDD7.8 of the Strategy states that, in relation to this project, the Council will:

- continue the economic and physical regeneration of the Fish Quay Conservation Area) based on the EDAW Regeneration Strategy's themes and projects;
- strengthen the social, arts, cultural and visitor aspects of regeneration in both Conservation Areas during the life of the Tyne Gateway regeneration programme.

## **The EDAW Fish Quay Regeneration Strategy**

The EDAW (a Regeneration consultancy) regeneration strategy was approved by the Council in 2001 and continues to guide the overall objectives for regeneration in this area. Project F5 of the regeneration strategy proposed the creation of a Heritage Centre on the Fish Quay to showcase the distinctive heritage of the Fish Quay area. Project C1 also seeks the restoration of Cliffords Fort and the remaining historic buildings associated with the fort, including the Old Low Light.

### **1.5 Information:**

#### **Background**

Cabinet approved the submission of a stage 2 application to the Heritage Lottery Fund (HLF) for a Townscape Heritage Initiative (THI) grant scheme for North Shields Fish Quay in October 2006. This was approved by the Heritage Lottery Fund and a 'Common Fund' of £1m was established made up of £412,500 Heritage Lottery funding and £587,500 Council capital funding. The Common Fund is a grant scheme which is open to the Council and external bodies to fund a range of building and public realm improvements to the conservation area. Grant applications are determined through the Fish Quay Heritage Partnership but the Council, as the accountable body for the Common Fund, must also approve and administer the grant to ensure it meets the overall contractual requirements of the Heritage Lottery Fund and secure the proper use of public funds.

The North Shields Fish Quay Townscape Heritage Initiative Scheme was a 5 year programme, which started in April 2007 and is therefore currently due to end in April 2012. However, a request for a 1 year extension to April 2013 is currently under consideration by the Heritage Lottery Fund to take account of delays in bringing forward some projects as a result of the recession.

The THI scheme identifies sixteen target buildings, including one "critical project" which is Cliffords Fort and three other priority buildings, including the Old Low Light on Cliffords Fort, which is a prominent grade two-listed building.

The Tyne and Wear Building Preservation Trust (also known as Buttress), is the lessee of the Council owned Old Low Light at Cliffords Fort and has come forward seeking THI grant funding towards a £400,000 scheme to create a Fish Quay Heritage Centre with ancillary commercial uses including a café and conference rooms. The Heritage Centre

project recently received feasibility funding from the Mayor's Big Society Community Investment Fund of £5,700 to help explore the potential for a heritage centre on the Fish Quay. The outcome of work undertaken by Buttress indicates the level of grant required to deliver the project is around £300,000, although this remains to be tested by tender. Under the contract that exists between North Tyneside Council and the Heritage Lottery Fund, the Council would need to fund 58.75% of this cost as its contribution to the Common Fund, which amounts to £176,250. The balance would be funded by the Heritage Lottery Fund. Without the grant from the Common Fund the Heritage Centre and commercial activities that are essential to the long term business plan will not be delivered within the Old Low Light at Cliffords Fort and the building will remain vacant for the time being. Experience indicates that a building without a sustainable use is subject to underinvestment and poor maintenance, to the long term detriment of the Fish Quay Management Strategy. It is understood that Tyne and Wear Building Preservation Trust will submit a formal grant application to the Fish Quay Heritage Partnership on 4 April 2012.

Included within the scheme costs is a proposal to install a lift requiring significant levels of internal and external work. Without a lift the upper floors of the building cannot be brought into realistic and accessible use for the purposes proposed for as many people as possible.

The Fish Quay Heritage Partnership is responsible for the delivery of the Townscape Heritage Scheme in accordance with good conservation practice and the requirements of the HLF. Draw down of the grant would take place in the 2012-13 or 2013-14 financial years.

## **1.6 Decision options:**

The following decision options are available for consideration by Cabinet:

### Option 1

Approve a grant of up to £300,000 to Tyne and Wear Building Preservation Trust.

### Option 2

Not approve the grant.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option:**

Option 1 is recommended for the following reasons:

Without the approval of Cabinet the grant cannot be offered and a key priority building in the Fish Quay Townscape Heritage Initiative Scheme will remain underused, with adverse implications for its future maintenance, and will not make a positive contribution to the regeneration of the area. The Heritage Centre could not go ahead in this building without this grant as extensive works are required. The Fish Quay Townscape Heritage Initiative Scheme would fail to live up to its full potential raising questions about other Heritage Lottery funded schemes currently the subject of applications by the Council.

## **1.8 Appendices:**

None.

## **1.9 Contact officers:**

Francis Lowes, Senior Manager, Regeneration tel 0191 643 6421  
Ian McCaffery, Planning Officer (Conservation) tel 0191 6436334  
Alison Campbell, Finance Business Manager tel 0191 643 7038

## **1.10 Background information:**

The following background papers/information has been used in the compilation of this report and are available at the office of the author:

- (1) North Tyneside Council Unitary Development Plan 2002
- (2) Fish Quay and New Quay Conservation Area Management Strategy 2007
- (3) Townscape Heritage Initiative Contract TH-05-00201/2
- (4) Cabinet Report dated 17 October 2006, North Shields Fish Quay Townscape Heritage Initiative
- (5) EDAW Regeneration Strategy 2001.

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

The property is leased from the Council for a term of 99 years from 5<sup>th</sup> June 1989 rent free for 25 years then at 20% of the market rent.

The proposed grant will be financed from the Townscape Heritage Initiative Common Fund. Council capital for its contribution (up to £176,250) towards the grant is available within existing budgets for 2011/12 and 2012/13. The final grant amount required will be determined by the return of tenders to the grant applicant and will be the minimum required to enable the project to proceed.

The Townscape Heritage Lottery (THI) Scheme in the Fish Quay is a £1m 'Common Fund' made up of £587,500 NTC capital and £412,500 Heritage Lottery Funding and the Council is the accountable body for the Common Fund. The Fund provides grants towards a range of projects, including the Council's own. There are a variety of grant rates depending upon the conservation benefits. Our ability to meet the Common Fund requirement has depended upon the nature of the projects being brought forward, and therefore the grant rates. We can meet the requirements of this particular grant from the Common Fund from the existing allocations in the Capital Plan from 2011/12 and 2012/13.

It is anticipated most of the funding would be drawn down in financial year 2012-13 although a small amount may be drawn down in financial year 2013-14.

## **2.2 Legal**

If Cabinet approval to award the grant is obtained, the Council would enter into a suitable grant agreement with the applicant. Given the value of the grant, the agreement would include applicable clawback and step in provisions in order to secure the Council's position. The grant agreement entered into with the applicant would be on terms mirroring the requirements of the Heritage Lottery Fund.

It is expected that confirmation of the Heritage Lottery Fund extension to April 2013 would be received prior to the Council entering into the grant agreement with the applicant..

As the Council is the appropriate accountable body for this Common Fund, it is necessary to ensure that any grant award also meets with the Council's Standing Orders and Financial Regulations.

## **2.3 Consultation/community engagement**

### **2.3.1 Internal Consultation**

Consultation with relevant Council officers has been undertaken

### **2.3.2 External Consultation/Engagement**

Consultation with the Fish Quay Heritage Partnership was undertaken on 9 January 2012 and 22 February 2012. It is understood that a formal application for grant will be submitted by Tyne and Wear Building Preservation Trust to the Fish Quay Heritage Partnership at its meeting on 4 April 2012.

## **2.4 Human rights**

There are no human rights implications directly arising from this report

## **2.5 Equalities and diversity**

Any further consultation will be undertaken in accordance with the Council's equality and diversity procedure. The provision of a lift opens up full access to the building.

## **2.6 Risk management**

The risks associated with the proposed time extension have been considered. These and any risks identified as the project proceeds will be managed using the Council's risk management process as appropriate

## **2.7 Crime and disorder**

There are no crime and disorder implications directly arising from this report.

## **2.8 Environment and sustainability**

If agreed the grant would facilitate new vibrancy to the oldest building at Fish Quay. Being conservation-led the scheme is inherently sustainable.

### PART 3 - SIGN OFF

- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Director with Responsibility for Community Engagement