

Executive Board
20 July 2021

Subject:	Victoria Embankment Memorial Gardens National Lottery Heritage Fund Restoration Project
Corporate Director(s)/Director(s):	David Murray, Interim Corporate Director of Resident Services Dave Halstead, Director of Neighbourhood Services
Portfolio Holder(s):	Councillor Rosemary Healy, Portfolio Holder for Highways, Transport and Cleansing Services
Report author and contact details:	Eddie Curry, Head of Public Realm eddie.curry@nottinghamcity.gov.uk 0115 8764982
Other colleagues who have provided input:	Ceri Walters, Head of Commercial Finance Meagan Milic, Commercial Finance Business Support Tom Straw, Senior Accountant – Capital Programmes Sarah O’Bradaigh, Senior Solicitor – Legal Services Pippa Hall, Interim Head of Corporate Property and Investment John West, Estate Surveyor – Estates Services Richard Becket, Head of Major Projects Nasreen Miah, Equality and Employability Consultant Hannah Gemmill, HR Business Lead – Residents
Subject to call-in: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Key Decision: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Criteria for Key Decision:	
(a) <input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital	
Total value of the decision: £1,284,000 Capital; £410,000 Revenue	
Wards affected: Bridge	
Date of consultation with Portfolio Holder(s):	
Relevant Council Plan Key Theme:	
Nottingham People	<input checked="" type="checkbox"/>
Living in Nottingham	<input checked="" type="checkbox"/>
Growing Nottingham	<input type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

This report provides details of the Victoria Embankment Memorial Gardens National Lottery Heritage Fund (NLHF) Restoration Project. The report seeks to approve the project and seeks approval to submit the stage two bid to the NLHF on 25 August 2021. The project will be assessed by the NLHF in December 2021. The report lays out proposals to secure additional external grant funding over the next 5 months in order that the project is 100% fully funded at the time of the NLHF grant decision in December. In the event that the additional funds are not secured, the project will be re-scoped, down-sized or it will not be delivered in its current form. Therefore, the project presents no risk to the Council's capital programme.

In the event that all the grants are approved, the report also seeks approval to accept the NLHF and other external grant funds in order to deliver the programme of capital works and revenue activities within the memorial gardens.

Exempt information: None

Recommendation(s):

1. To approve the project as detailed in the Victoria Embankment Memorial Gardens NLHF Restoration Project business plan (Appendix 1) subject to:
 - a. Capital Board endorsement and agreement to treat the project as an in-year addition to the capital programme;
 - b. confirmation that all sources of funding have been secured before any costs are incurred;
 - c. the Council's revenue expenditure being identified within existing budgets;
2. To approve the funding for the new permanent Victoria Embankment Team Leader post and fixed-term project work placements. The establishment of the posts is being approved as a non-executive decision by the Corporate Director of Resident Services under Delegation 16.
3. To approve the establishment of a sinking fund for the purpose of maintaining the site in good condition, funded from revenue surpluses in conjunction with the NLHF conditions;
4. To delegate the authority to the Corporate Director of Resident Services, in consultation with the Corporate Director of Finance and Resources and the relevant Portfolio Holder for Highways, Transport and Cleansing Services, to carry out procurement processes and enter into contracts relating to the project.

1 Reasons for recommendations

- 1.1 The Memorial Gardens located at Victoria Embankment is a Grade II listed Historic Parks and Garden. Over 100 years has passed since the garden was created in order to provide a living memorial to those who gave their lives in the two World Wars and to

provide a suitable place for contemplation and relaxation. Over the years, the gardens have fallen into a state of disrepair, albeit the infrastructure is mainly intact, some features within the garden require restoration, repair or replacement (e.g., the Queen Victoria statue and the gardens water fountain, which requires restoration, and the War Memorial and its under-croft, which require repairs and the replacement of the toilet facilities). The project will also improve the existing café to help increase revenue through a greater footfall and improved access and new toilets.

- 1.2 The project will also provide an extensive programme of activities that will be led by a new Team Leader. The post will help train new work placements in land-based skills, at the end of which the work placements will be skilled to be able to seek further job opportunities within street-scene and grounds maintenance teams.
- 1.3 The project has been designed to help improve the quality of the gardens and to activate the spaces through events, work placements and additional volunteers' time, and the financial profile is set out in Appendix 2.
- 1.4 NLHF funding would provide 68% of the total funding requirement, with the remaining funds to be secured from the War Memorial Trust Fomento de Construcciones y Contratas (FCC) and Section 106 contributions. The final portion of the funding contribution will be from the public realm service revenue budget and will be profiled over the ten years of the project's life. This is existing funding and its re-direction will have no impact on existing services.

2 Background (including outcomes of consultation)

- 2.1 Following the centenary of the First World War in 2018 and the construction of the new WW1 Nottinghamshire War Memorial, a considerable increase in visitor numbers and interest in the memorial gardens has been recorded.
- 2.2 During the project development, many meetings have taken place with military associations and veterans' groups, from which discussions have taken place regarding the Council's work with the Armed Forces and our support for the delivery of the Armed Forces Community Covenant. These discussions have helped shape the project and, through the delivery of the new Team Leader and work placements alongside the continued support for Military Associations and veterans' groups, the project will help the Council to increase its contribution and commitment to delivery of the Armed Forces Community Covenant.
- 2.3 Following the stage one NLHF bid that was awarded in January 2019, the architectural details and the detailed planning and costings for this project have been worked up ready to submit to NLHF for final approval.
- 2.4 The heritage restoration work would help to fully repair and improve the infrastructure and facilities within the memorial gardens. The restoration would help to improve the maintenance and management of the gardens and it will help to accelerate restoration work that otherwise will cost the council considerable funds to repair at some point in the future. Please see Appendix 3 for the future buildings and structures repairs and restoration costs.

3 Other options considered in making recommendations

- 3.1 Not to carry out the restoration work. This option has been rejected as there is no other viable option to drive forward the restoration and improvement of the gardens this option would not maximise use of the grounds, could lead to further disrepair and possible health and safety issues, loss of heritage, etc. Also, the opportunity would be lost to maximise income from café facilities and improve leisure facilities for citizens.
- 3.2 Reduce the scale of the restoration project. This option has been rejected as it will not help provide sufficient heritage restoration work needed to secure the grant from the NLHF or help to deliver the armed forces community covenant.

4 Finance colleague comments (including implications and value for money/VAT)

- 4.1 A summary of the finance comments are set out below and are linked to the funding of the project as set out in Table 2, and the financial business case for future running costs and its assumptions captured in Appendix 2:
- a) There is no impact financially to the capital programme as referenced in the report, as the capital element is funded through grant;
 - b) The revenue element of the project is being managed through match funding and current budget provision without impacting on other existing services. No further financial requirements are anticipated;
 - c) The financial business case for future running costs are set out in Appendix 5, showing that over a 10-year term, based on a number of assumptions and the creation of a sinking fund, that the scheme can be funded if all grant funding is awarded;
 - d) The project will only commence once all sources of funding are secured, or be reshaped to manage within confirmed external funding sources;
 - e) Ongoing maintenance will be funded as business as usual within the Public Realm budget, without impacting on other services. The development of this site will mitigate the risk on this fund as maintenance of the current asset is more costly than the improvement proposed;
 - f) Monitoring of this project will form part of the normal forecasting processes;
 - g) Value for money will be achieved through procurement processes associated with the project and the use of external funding to support future maintenance pressures associated with the current asset;
 - h) Financial risks associated with this project are covered in Table 1 below, but are deemed low and further defined in section 4.3.

Table 1: Project Risk and Mitigations	
Key Risk	Mitigations
Capital funding not secured	If 100% of the match funding is not secured then the project will be either down sized or terminated before entering into any contracts.
Café rent not achieved	Rent negotiating have already started with the operator. The projected income is justifiable given the scale of investment and the potential increase in footfall post project completion. If the full amount of rent secured is less than expected, in year revenue spend will be diverted to make up the required deficit.
Charitable income not secured	The charitable donation level has been kept minimal in order to ensure that it is deliverable. A marketing campaign will be delivered to promote charitable giving to the project. If full amount of donations is less than expected in year revenue spend will be diverted to make up the required deficit.
Future salary costs	Post year 5 in the project, the costs of the Team Leader will be covered through in-year vacancy savings from within the Public Realm Service. Service planning will ensure that sufficient vacancies are held in preparation for this to be covered.

4.2 Table 2 below shows the one-off capital and revenue funding structure for the Victoria Embankment War Memorial Gardens restoration project and the position statement of the external funding.

Table 2: Funding Detail				
		Revenue £m	Capital £m	Total £m
Total Cost DELIVERY		0.410	1.284	1.694
Match funding - S106 secured	Secured		(0.321)	(0.321)
Match funding – Institute of Cemetery and Cremation Management (ICCM) Charitable Donation secured	Secured		(0.020)	(0.020)
This will be the funding of 1x grade F post from Parks & Street Scene Repairs & maintenance budgets	Internal	(0.008)		(0.008)
Match Funding - Environment Agency Funding secured	Secured		(0.025)	(0.025)
Match Funding – Area Capital secured	Secured		(0.010)	(0.010)
Match funding - volunteer time not yet delivered	TBC	(0.020)		(0.020)

Match funding - War Memorials Trust bid	Bid submitted – decision in August 2021		(0.030)	(0.030)
Match funding - FCC bid	Bid submitted – decision in September 2021		(0.100)	(0.100)
Total Match Funding		(0.028)	(0.506)	(0.534)
NLHF grant request		(0.382)	(0.778)	(1.160)

- 4.3 There are two stages to this project, 'Development' & 'Delivery' stage one. 'Development' has been completed and the grant monies were received from the NLHF. This first phase paved the way to understanding how the second phase will be delivered and all the associated costs of the project.
- 4.3.1 The total cost of stage two of the project is £1,284,000 capital and £410,000 revenue.
- 4.3.2 There is expected to be match funding to the value of £534,000, leaving an overall grant request from NLHF for stage two of £1,160,000 (as above).
- 4.3.3 This will cover both capital and revenue elements. The capital costs have been constructed via an external building company and verified internally by the quantity surveyor and project lead.
- 4.3.4 At this stage, not all match fund has been secured and work will not commence until all is confirmed. Any variation will result in the project being either terminated until an alternative funding package can be identified or redesigned within a funding envelope.
- 4.3.5 The 'Revenue Model' has been constructed by the Head of Service as a forecast for the next 10 years, summarised in Appendix 2. Assumptions have been challenged by Finance.
- 4.3.6 The current revenue model projects a surplus of £36,000 by year 5, at which point the NLHF funding ceases. Thereafter, the sinking fund surplus will be used to fund years 6-10, leaving a balance of £11,000. Prior to year 10, a decision will need to be taken regarding future funding and options for reducing costs or increasing income based on past trends.
- 4.3.7 The Council has obtained clear clarification from NLHF that they are able to carry forward a surplus balance on the project year on year, as long as it is used only for the project in future years however the approval of this will need to be undertaken by the Council and is captured in the recommendations of this report.
- 4.4 The financial risk is assessed by the Service as low, but should any risks materialise, the project may either need to cease or be reviewed reporting back to Corporate Leadership Team.

A summary of the risks are set out below:

- a) If the Council is unsuccessful in obtaining all grant monies, this project will either stop or be redesigned in accordance with funding received. Until all funding is secured, the Council will not enter into any contracts with developers. The opportunity of this funding is that it will reduce the burden on the current memorial site repairs and maintenance requirement, which is a limited fund with increasing pressures. This project has the potential to provide an accelerated repairs and maintenance programme at a much reduced cost to the council. Appendix 3 provides a detailed schedule of building repairs and associated costs.
- b) The Delivery Plan has a limited contingency budget. Any shortfall would require officers would need to find alternative sources of funding.
- c) Revenue budget risks relating to income generation, mainly through the fundraising contributions however relationships have already been built with local charities, etc., to help mitigate this pressure.
- d) Any ongoing costs exceeding current expectations would require the Directorate to re-prioritise other spending whilst finding a longer term solution.

Advice provided by Meagan Milic, Commercial Finance Business Partner, on 27/05/2021.

4.4.1 In addition to the above finance comments, it is to be noted that this project is currently outside of the Council's approved Capital Programme. However, as the capital element of the project is entirely funded by grant, it does not affect the capital programme control totals and therefore can be added to the Capital Programme pending approval and Capital Board endorsement.

4.4.2 The revenue income projected in the business case (as detailed in the attached appendix), includes unsecured revenue income which is a risk to the Council (around £11,000m per year). If the unsecured revenue income is not achieved as forecast, it will lead to a revenue pressure, so the Head of Public Realm Services has confirmed that any shortfall will be mitigated by diverting resources from other budgets within Public Realm to make up the required deficit.

4.4.3 Due to the capital element of this project being entirely funded from grant with no match funding from the Council, it is exempt from the additional approvals from the Section 151 Officer and the Chief Executive amended scheme of delegation. Should the capital funding mix of the project change, this stance may require further review.

Advice provided by Tom Straw, Senior Accountant – Capital Programmes, on 25/05/2021.

5 HR Comments

- 5.1 The funding for new staff will be through the NLHF grant and through a contribution from the public realm service revenue budgets. The Council recruitment and redeployment process will need to be followed, including approval to authorise filling the vacancies.

Advice provided by Hannah Gemmill HR, Business Lead – Residents, on 26/05/21.

6 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

- 6.1 Any grant funding awarded to the Council from NLHF towards the cost of the project will be subject to grant conditions which if not met or breached, will be subject to clawback. The award of any external contracts for the provision of works and/or services relating to the project will need to comply with public contract procurement rules and the Council's Contract Procedure Rules. In addition, such external contracts must include provision requiring the providers to adhere to the grant conditions (and to indemnify the Council if by the providers' acts and/or omissions bring the Council into breach of the grant conditions), thus triggering the requirement for clawback of grant funding from the Council.

Advice provided by Sarah O'Bradaigh, Senior Solicitor, on 27/05/21.

7 Major Projects Colleague Comments

- 7.1 The project has gone through the Council's project assurance process. The Review Team noted the work undertaken on the project to date and that the Council team working on it had a strong track record in delivering similar projects for this funder. No material concerns about the delivery of the project were raised during the review.

The report and recommendations from the Review Team are attached as Appendix 4 to this report and the Project Team are preparing an action plan to address these.

Advice provided by Richard Beckett, Head of Major Projects, on 25/05/21.

8 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)

- 8.1 Careful consideration will need to be given to all Property aspects of this project and Officers will support the project team in this process as required.
- 8.2 A large area of Victoria Embankment, centred around the War Memorial, is subject to a Deed of Dedication to the Centenary Fields project of the Fields in Trust organisation. This is in recognition of its historic involvement with the efforts of World War One. The Deed is designed to protect the land for leisure and recreation and it is not believed that the recommendations in this report will not impede on the Dedication, or require the Trust's approval, but this will nevertheless need to be checked and confirmed by Legal Services.
- 8.3 Furthermore, there is a deed of covenant in place with the Environment Agency (EA) relating to the protection of the Flood Defence wall and gates, and the project team will

need to liaise with the EA to ensure the proposals will not adversely affect this asset. Property will support the project team in this as appropriate.

- 8.4 The Suspension Bridge Café is included in the project. There is a tenant currently occupying the café on a 10-year lease commencing from 2015. The project team have already been in discussion with the tenant about restructuring their lease to provide a more joint and flexible space, and that the tenant is receptive to this.
- 8.5 This will require a new letting to be undertaken, and Property will need to be issued with a further instruction on it, after which we will undertake a standard letting process including drafting heads of terms, obtaining approval as necessary and liaising with Legal Services over the drafting, but the proposal does not raise any significant concerns at this stage.
- 8.6 Colleagues will work closely with the project team to ensure this happens in a timely manner and in line with the project plan.

Advice provided by John West, Estates Surveyor, and Pippa Hall, Interim Head of Corporate Property and Investment, on 27/05/2021.

9 Social value considerations

- 9.1 The project will seek to deliver the project with local contractors. The contractors will also be asked to confirm apprentice and work placement opportunities. The new posts will also seek to recruit from within the Nottingham Armed Forces and Veteran Communities.

10 Regard to the NHS Constitution

- 10.1 The project will help to deliver a number of green space health and well-being activities. These will all take place outdoors and will involve physical and mental health and well-being activities all of which will help to deliver the objectives of the NHS Constitution.

11 Equality Impact Assessment (EIA)

- 11.1 To demonstrate 'due regard' is to show that conscious consideration has been taken in making decisions in relation to our general equality duty. To do this, we must ensure that we eliminate discrimination, advance equality of opportunity and foster good relations when making decisions.
- 11.2 The EIA for 'Victoria Embankment Memorial Gardens National lottery heritage fund restoration project' (Appendix 5) has shown due regards throughout. As part of this assessment, it has been identified that there will not be any negative impact on protected groups as improvements are envisaged to improve accessibility for groups. Detailed surveys have taken place to identify improvements and public consultation will be taking place prior to any changes being implemented. It must be ensured that any new posts being created and targeted campaigns follow HR guidelines and procedures. This EIA will be reviewed throughout the duration of this project including at the start of recruitment as well as at the end of the project, I am therefore happy approving this EIA.

Advice provided by Nasreen Miah, Equality and Employability Consultant, on 25/05/2021.

12. Details of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

12.1 None.

13 Published documents referred to in this report

13.1 Delegated Decision 3801: Parks Improvement Project Funding, February 2020
(<https://committee.nottinghamcity.gov.uk/ieDecisionDetails.aspx?ID=5137>)

13.2 Delegated Decision 3514: Acceptance of Government Funding for High Street Community Clean Ups, Park Improvements and Pocket Parks Plus Programme, May 2019
(<https://committee.nottinghamcity.gov.uk/ieDecisionDetails.aspx?ID=4844>)

13.3 Executive Decision Armed Forces Community Covenant, November 2020