

BEACON REVIEW – UPDATE

EXECUTIVE MEMBER: Cllr Mike Ashbrook
LEAD OFFICER: Fergus McMorrow, Corporate Director
REPORT AUTHOR: Fergus McMorrow

Summary: To update members on progress with the Beacon review and project development

Recommendation:

1. Executive note progress and agree to continue implementing the project as indicated in the report.
2. Executive agree that the ad hoc list referred to in paragraph 3.2 be finalised by the Director of Economic Prosperity and Sustainability, in consultation with the portfolio-holder, under delegated powers.

Impact on delivering the Corporate Plan: Key objective in this year's Corporate Plan

Impact on other statutory objectives (e.g. crime & disorder, LA21): Development of tourism will benefit rural areas. Improved economic prosperity has an indirect impact on health and crime and disorder.

Financial and human resource implications: None directly from this report. £337,500 capital contribution has previously been agreed. There will be an ongoing revenue commitment for ten years or a Heritage Lottery Fund clawback. Business Plan revenue projections indicate that there will be a net saving of £329,000 on current operation costs over the first 5 years of operation. It has previously been agreed that this would be allocated to a fund to keep the facility refreshed.

Project & Risk Management: Independent project managers will be appointed to manage the project.

Key Decision Status

- **Financial:** Yes
- **Ward:** None

Other Ward Implications: None

1. INTRODUCTION

- 1.1 Previous reports have kept members informed on progress in fund-raising for the new facility at The Beacon.
- 1.2 This report advises members of latest developments.

2. PROJECT DEVELOPMENT AND FUNDING

- 2.1 Detailed consultancy reports funded by HLF/Westlakes Renaissance to assist in developing the project were completed earlier this year. This allowed the submission of the final project to the Heritage Lottery Fund. At their meeting in September the HLF agreed to provide £624,000 grant aid to the project. This was publicly announced on October 18th.
- 2.2 Initially the HLF asked the Council to commit to supporting The Beacon for 25 years as part of the agreement. Subsequent negotiation has reduced this period down to 10 years which is inline with clawback provisions from other external funders such as the European Union.
- 2.3 A parallel application to West Cumbria Development Fund was successful in June and a grant of £350,000 was awarded, replacing the funding we sought unsuccessfully from Northern Rock Foundation.
- 2.4 Members will recall that the project cost was just short of £2.1 million. This has been increased to £2.2 million at the request of the Heritage Lottery Fund who required a larger contingency to be included. The contingency allowance is now 10%.
- 2.5 Whilst West Lakes Renaissance (WLR) have made provision of £800,000 in their Business Plan for the project, this is in principle only and a full application which is subject to the appraisal processes is required. This application was submitted in October. It has not been possible to submit this in parallel with the HLF application. Previous experience indicates that the project can change through the process of a HLF application., the WLR submission could prove abortive. Given the context of severe resource difficulties in Regeneration, priority could not be given to this work until the HLF situation was clear.
- 2.6 Overall the funding structure is now as follows

Copeland Borough Council	£337,500 (secure)
West Cumbria Development Fund	£350,000 (secure)
Heritage Lottery Fund	£624,000 (secure)
WLR	£884,184 (£800,000 secure in principle only)
- 2.7 The full funding application has been placed in the Members Room for a temporary period so Members have the opportunity to review the details including recent amendments. This includes Business Plan financial projections which indicate modest revenue cost savings based on conservative estimates of visitors and income. The Council has previously agreed these savings should be set aside in order to keep The Beacon content refreshed.

3. IMPLEMENTATION

- 3.1 Confirmation of the timetable for implementation is, of course, subject to the final decision from WLR, however, we are hoping a positive response will be received and the following timetable can be followed:

Funding fully secure by January 2006

Project Manager appointed January 2006

Design and Build tenderer selected May 2006

Work starts October 2006

Marketing begins February 2007

Attraction opens March/April 2007

- 3.2 We have recently advertised for expressions of interest for experienced project management organisations that would wish to be included in an ad hoc tender list for the project. Members are asked that this list can be finalised under delegated powers to allow the tender process for this role to run in parallel with the WLR application being considered.

List of Background Documents:

List of Consultees:

Portfolio-holder, Head of Finance and Business
Development, Chris Lloyd, Business Development Manager