

## **COUNCIL**

**24 JANUARY 2013**

# **EASTGATE HOUSE HERITAGE LOTTERY FUND – STAGE 2 AWARD**

Portfolio Holder: Councillor Howard Doe, Housing and Community Services

Report from: Robin Cooper, Director of Regeneration, Community and Culture

Author: Tracy Stringfellow, Eastgate House Project Manager

### **Summary**

This report provides an update on the successful award from the Heritage Lottery Fund (HLF) of a Stage 2 Application for Eastgate House, and seeks formal approval to add the scheme to the Capital Programme.

## **1. Budget and Policy Framework**

1.1 Eastgate House is a key project within the Council's Cultural Strategy and Council Plan and is a nationally significant Grade I listed building in the heart of Rochester's High Street. The Eastgate House project will not only conserve the building and heritage for future generations, but will open it up as a distinctive, valued and vibrant community resource for Medway residents and our visitors.

1.2 Additions to the Capital Programme are a matter for Council.

## **2. Background**

2.1 On 7 November 2006 the Cabinet considered a report concerning Eastgate House. This sought approval and funding to proceed with detailed technical and design work on proposals for future long-term use, together with in principle capital support to part funding the cost of conversion and restoration. Cabinet decisions 213/2006, 214/2006 and 215/2006 report initial agreement to project proposals and Council match funding, subject to the outcome of a successful HLF Award. Since 2006, Medway Council has sought to secure funding for the conservation and development of Eastgate House.

2.2 In December 2010, HLF awarded Medway Council £80,000 as a Project Development Grant to develop a Stage 2 Application to the

Heritage Grants Programme. The Stage 2 Application was submitted on 3 September 2012. Following the success of the application, the full grant award of £1,280,000 was made on 7 December 2012.

- 2.3 As part of the Stage 2 Application, a programme of community and stakeholder engagement has resulted in the production of the following documents:
- Conservation Management Plan
  - Management and Maintenance Plan
  - Business Plan
  - Activity Plan.
- 2.4 In developing the Stage 2 Application, a detailed cost plan has been produced for all project elements including urgent repair works highlighted in a revised condition survey of the building undertaken in early 2012. The detailed cost plan has identified total project costs of £2,156,000.
- 2.5 The current agreed Capital allocation for Eastgate House is £67,914 with £51,000 identified in Table 1 to support the agreed match-funding support of £500,000, subject to formal approval by Council. The residual budget (£16,914) within the existing Capital Programme is retained to meet any unplanned maintenance obligations that are required prior to the project starting. If there is no requirement to draw down any of this funding then it can, subject to Members' approval, be added to the overall Council match funding requirements to reduce the prudential borrowing requirements.
- 2.6 This report is submitted to Cabinet (15 January 2013) and Council to secure the required authority to enter into a grant agreement to deliver the project, deliver the Capital Programme requirements and establish the Prudential Borrowing arrangements. Subject to approval of the Council match funding requirements the Eastgate House HLF Project will commence in April 2013. It will be managed through the Council's Corporate Project Management Framework and also in accordance with HLF Grant Monitoring requirements.

### **3. Advice and Analysis**

#### **3.1 Diversity Impact Assessment**

The Council has adopted a Diversity Impact Standard to ensure policies and significant projects reflect potential impact on residents due to their racial group, gender, disability, sexual orientation, age and religion. In line with this, the first stage of a Diversity Impact Assessment has been carried out and is attached at Appendix 1. The findings of this indicate the Eastgate House project does not need a full Diversity Impact Assessment.

### 3.2 Prudential Borrowing

Prudential Borrowing of £200,000 is felt to be achievable as income will be generated from Eastgate House operating as a 6 day a week, paid visitor attraction as opposed to the limited opening currently available. Charges will be made for weddings and school workshops and there will be a retail space generating income from sales. Taken together, this will make payback in 5 years possible.

The project post completion is seeking to achieve 48,000 visits annually. Admission charges, together with income from retail and weddings have been included in the calculations for repayment of the borrowed sum. Whilst marketing to raise awareness of the importance of the building and improved visitor offer will be undertaken.

## 4. Risk management

Table 1 highlights the risks associated with the Eastgate House Project:

**Table 1: Eastgate House – Risks**

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>	<b>Risk rating</b>
Financial	Failure to secure projected income to repay prudential borrowing	Project business plan developed in consultation with Finance	DII
Financial	Failure to secure £140,000 external funding in a timely fashion	Fundraising strategy in place. Approaches made to funders in partnership with the Friends of Eastgate House	CII

## 5. Consultation

The Stage 2 HLF Application was developed through a detailed programme of consultation with English Heritage, residents, internal departments and elected Members. The project will undertake urgent conservation works and create a valuable attraction both to residents and visitors to Medway.

## 6. Cabinet

6.1 The Cabinet considered this report on 15 January 2013 and made the following decisions:

- To note the position with the Eastgate House Stage 2 Grant Award;
- To authorise the Director of Regeneration, Community and Culture to enter into a grant agreement to deliver the Eastgate House HLF Project and;
- To recommend to Full Council on 24 January 2013 that the Eastgate House HLF Project be added to the Council's Capital Programme, and approve the Prudential Borrowing.

## 7. Financial and legal implications

7.1 Eastgate House Project Costs are £2,156,000

Source	Funding (£)	Status
Medway Council – Capital	51,000	Existing Capital Programme
	449,000	Subject to Full Council approval
Medway Council – Prudential borrowing	£200,000	Subject to Full Council approval
External Funding & Gifts	£140,000	To be secured as project is delivered.
In-kind contribution	£36,000	To be delivered through volunteering during Stage 2 delivery
HLF – Heritage Grant	£1,280,000	Secured - notification received 7 December 2012
<b>Total</b>	<b>£2,156,000</b>	

Prudential borrowing repayments of £40,980 pa will be required for a period of five years.

7.2 There are no significant legal implications contained in this report.

## 8. Recommendations

8.1 That the Eastgate House HLF Project be added to the Council's Capital Programme, and to approve the Prudential Borrowing as set out in paragraph 7.1 of the report.

### Lead officer Contact

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### Background Papers

Eastgate House HLF Stage 2 Application

## Diversity Impact Assessment: Screening Form

<b>Directorate</b> <b>Regeneration, Community and Culture</b>	<b>Name of Function or Policy or Major Service Change</b> Eastgate House Heritage Lottery Fund Project	
<b>Officer responsible for assessment</b> Tracy Stringfellow	<b>Date of assessment</b> December 2012	<b>New or existing?</b> New
<b>Defining what is being assessed</b>		
<b>1. Briefly describe the purpose and objectives</b>	The HLF funded, Eastgate House Project from 2013-2015 (construction phase) 2015-2016 1 <sup>st</sup> year of operation	
<b>2. Who is intended to benefit, and in what way?</b>	All residents of, and visitors to Medway. Benefit from improved access to, and quality of visitor experience of Eastgate House	
<b>3. What outcomes are wanted?</b>	Service outcomes identified are: 1) Providing more high quality facilities, 2) Improved access both physical and intellectual, 3) Improved protection and conservation of a Grade I listed heritage asset, 4) More opportunities for Medway residents to participate in cultural activities 5) Greater engagement with Medway heritage	
<b>4. What factors/forces could contribute/detract from the outcomes?</b>	<b>Contribute</b> Partnership working Heritage Lottery Fund Friends of Eastgate House City of Rochester Society Eastgate House Stakeholder Group	<b>Detract</b> Lack of financial and staff resource to deliver strategy outcomes Lack of stakeholder support
<b>5. Who are the main stakeholders?</b>	Heritage Lottery Fund, Medway Cultural Partnership, English Heritage, Friends of Eastgate House , Medway Council, City of Rochester Society, Rochester Cathedral, University of Kent, Bridge Wardens Trust	
<b>6. Who implements this and who is responsible?</b>	Greenspace, Heritage, Libraries Service in partnership with Heritage Lottery Fund, stakeholders and through various delivery models.	

<b>Assessing impact</b>		
<b>7. Are there concerns that there <u>could</u> be a differential impact due to <i>racial groups</i>?</b>		Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	Development of the Activity Plan for the Stage 2 application for funding undertook in depth consultation with user groups, through surveys, questionnaires and focus group work. No concerns were raised relating to access issues for people from different racial groups.	
<b>8. Are there concerns that there <u>could</u> be a differential impact due to <i>disability</i>?</b>		Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	The record of public consultation that has been produced following the development phase of the Heritage Lottery Fund grant raised no concerns in relation to differential impact access issues for people with disabilities. The construction phase of the project will address the access issues currently inherent in the building by adding a new lift and staircase.	
<b>9. Are there concerns that there <u>could</u> be a differential impact due to <i>gender</i>?</b>		Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	Development of the Activity Plan for the Stage 2 application for funding undertook in depth consultation with user groups, through surveys, questionnaires and focus group work. No concerns were raised relating to access issues for different gender groups	
<b>10. Are there concerns there <u>could</u> be a differential impact due to <i>sexual orientation</i>?</b>		Brief statement of main issue
	NO	
<b>What evidence exists for this?</b>	Development of the Activity Plan for the Stage 2 application for funding undertook in depth consultation with user groups, through surveys, questionnaires and focus group work. No concerns were raised relating to access on the basis of sexual orientation	
<b>11. Are there concerns there <u>could</u> be a have a differential impact due to <i>religion or belief</i>?</b>	YES	Brief statement of main issue
<b>What evidence exists for this?</b>	No specific consultation with different faith groups has yet been undertaken, but community discussions are planned as appropriate during the next stage of the project.	

<b>12. Are there concerns there <u>could</u> be a differential impact due to people's age?</b>	NO	Brief statement of main issue
<b>What evidence exists for this?</b>	Eastgate House visitors and volunteers are currently predominantly older people. The Activity Plan for the project targets older users and young people of Medway to ensure any potential differential impact is addressed.	
<b>13. Are there concerns that there <u>could</u> be a differential impact due to <i>being transgendered or transsexual</i>?</b>	NO	Brief statement of main issue
<b>What evidence exists for this?</b>	Development of the Activity Plan for the Stage 2 application for funding undertook in depth consultation with user groups, through surveys, questionnaires and focus group work. No concerns were raised relating to access on the basis of being transgender or transsexual	
<b>14. Are there any <i>other</i> groups that would find it difficult to access/make use of the function (e.g. people with caring responsibilities or dependants, those with an offending past, or people living in rural areas)?</b>	NO	If yes, which group(s)?
<b>What evidence exists for this?</b>		
<b>15. Are there concerns there <u>could</u> be a have a differential impact due to <i>multiple discriminations</i> (e.g. disability <u>and</u> age)?</b>	NO	Brief statement of main issue None identified
<b>What evidence exists for this?</b>	The record of public consultation that has been produced during the development phase has identified no impact on the basis of multiple discriminations	

<b>Conclusions &amp; recommendation</b>		
<b>16. Could the differential impacts identified in questions 7-15 amount to there being the potential for adverse impact?</b>	NO	Brief statement of main issue
<b>17. Can the adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or another reason?</b>	NO	Please explain
<b>Recommendation to proceed to a full impact assessment?</b>		

<b>NO</b>	<b>This function/ policy/ service change complies with the requirements of the legislation and there is evidence to show this is the case.</b>	
<b>NO, BUT ...</b>	<b>What is required to ensure this complies with the requirements of the legislation? (see DIA Guidance Notes)?</b>	
<b>YES</b>	<b>Give details of key person responsible and target date for carrying out full impact assessment (see DIA Guidance Notes)</b>	

<b>Planning ahead: Reminders for the next review</b>		
<b>Date of next review</b>	December 2013	
<b>Areas to check at next review (e.g. new census information, new legislation due)</b>	Outcomes of individual activity/event evaluation	
<b>Is there <i>another</i> group (e.g. new communities) that is relevant and ought to be considered next time?</b>	Eastgate Advisory Group will be established by this date and consulted on activity/events programme development. The Advisory Group will be drawn from members of the community representing the project target audiences	
<b>Signed (completing officer/service manager)</b> 	<b>Date</b> 21 December 2012	
<b>Signed (service manager/Assistant Director)</b>	<b>Date</b>	



## **Monitoring and Review**

Progress against these targets will be monitored by the Project Manager Eastgate House and the Audience Development Officer Eastgate House and will be reported through Steering Group Meetings, and to major funder through their audit process, as well as the regular project reporting processes followed by Medway Council and utilising the Project Management Toolkit.

## **Related documents**

All documentation supporting Heritage Lottery Fund application is available for review if required, including Activity Plan.