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**UNION CHAIN BRIDGE – REQUEST TO INCREASE FINANCIAL CONTRIBUTION**

**Report by Service Director Assets & Infrastructure**

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**EXECUTIVE COMMITTEE**

**15 August 2017**

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**1 PURPOSE AND SUMMARY**

- 1.1 **This report seeks approval from the Executive Committee to increase the funding for the Union Chain Bridge Project to £1M to support the application to Heritage Lottery Fund and match the commitment from Northumberland County Council.**
- 1.2 Union Chain Bridge has substantial historical significance as it was the longest suspension bridge in the world when opened in 1820, and is currently the oldest operational suspension bridge in the world still carrying vehicles. It is a Grade 1 structure in England and a Category A listed building in Scotland the highest designations.
- 1.3 Northumberland County Council and Scottish Borders Council are working in partnership to pursue Heritage Lottery Funding for a restoration project to repair and continue the usable lifespan of the bridge.
- 1.4 Since the update report to the Council's Executive Committee in March 2017, that stated the Heritage Lottery application date of June 2017, there have been several developments on the project that have affected its progress and budget estimate.
- 1.5 Northumberland County Council has made significant structural changes to their staffing levels, that has left the authority without the key personnel to complete the Heritage Lottery application process. Ultimately causing a delay in the application to Heritage Lottery until August 2017.
- 1.6 There has been proactive consultation with Historic England over the past twelve months, which is required to support the Heritage Lottery Fund application. Unfortunately Historic England do require a higher level of restoration to the original features than originally envisaged, contributing to an estimated increase from the aspiration of circa £5M project to £7.8M, and ultimately creating a £900k funding gap.

- 1.7 Northumberland County Council has approved a report to their Cabinet Committee to re-affirm their commitment to the project and increase their financial contribution from £550k to £1M, with the suggestion that Scottish Borders Council will do the same.
- 1.8 Scottish Borders Council's Project Management Team Leader has suggested actions by Northumberland County Council to mitigate the current fragmented approach to ensure that the August 2017 Heritage Lottery Fund submission date is achieved.

## **2 RECOMMENDATIONS**

### **2.1 I recommend that the Executive Committee:-**

- (a) Agrees to increase the financial commitment to the Union Chain Bridge Project by £450k, in line with the current agreement with Northumberland County Council.**
- (b) Approves virement of £190k in 2019/20 and £260k in 2020/21 from Roads and Bridges capital block to the Union Chain Bridge.**

### **3 BACKGROUND**

- 3.1 Union Chain Bridge has substantial historical significance as it was the longest suspension bridge in the world when opened in 1820, and is currently the oldest operational suspension bridge in the world still carrying vehicles. It is a Grade 1 structure in England and a Category A listed building in Scotland; the highest designations.
- 3.2 The bridge has become structurally unsafe and may only be accessed by one light vehicle at a time. Scottish Borders Council and Northumberland County Council are jointly working up a project to refurbish the bridge to mark its 200th anniversary in 2020.
- 3.3 The current funding of the bridge maintenance is based on a 50/50 contribution between both Authorities, based on a maintenance agreement that dates back to a report of October 1996.
- 3.4 The draft Roads Asset Management Plan indicates that the condition of bridges and structures are continuing to deteriorate. Without significant investment within the next few years these assets will be more expensive to repair in future and it may result in the managed decline of the bridge. Over time the risks are:
  - Future repairs will be more expensive;
  - There is risk of increase claims being made against the Council;
  - The safe condition of these assets will be an issue;
  - Loss of an infrastructure connection between communities; and
  - There will be a loss of reputation.
- 3.5 The opportunity was identified in 2014 by Northumberland County Council to look at external funding opportunities to fully refurbish the bridge, targeting funding that promoted culture and heritage.
- 3.6 Northumberland County Council, as lead agents, have previously committed £550k from their budget to act as leverage to seek to pull together a funding package of not less than £4.6m. Scottish Borders Council are responsible for half of the structure and committed £550k of capital in 2015/16 as match funding to maximise the possible leverage.
- 3.7 The Heritage Lottery Fund are supportive of the project due to its substantial heritage value, but also the international significance and educational opportunities that can be achieved through a potential project.
- 3.8 An update report was presented to the Executive Committee on 7 March 2017 prior to the expected completion of the Stage 1 bid to Heritage Lottery Fund in April 2017.

### **4 PROGRESS UPDATE**

- 4.1 The completion of the application to Heritage Lottery Fund for April 2017 was not achieved. The April target was put in place to allow final comments from stakeholders (including Heritage Lottery Fund) to be incorporated prior to the actual application submission date of 15 June 2017.

- 4.2 Northumberland County Council were still confident in April 2017 that the application could be complete by the submission date, with good progress being made on:
- the Capital cost estimate incorporating the views of Historic England;
  - the Conservation Management Plan, and
  - the Activity Plan development
- 4.3 A meeting was rescheduled for the Project Board (containing officers from both authorities) on 16 May 2017 to review the final documentation for the Heritage Lottery Fund application. The meeting revealed that:
- although the application had been advanced it was not in a position to be submitted to Heritage Lottery Fund on 15 June 2017.
  - The project estimate had increased from £5.643M (reported on 7 March 2017) to £7.8M. Keeping to the original funding structure this would mean that HLF would be expected to fund circa £6.1M;
- 4.5 It was also reported that the Northumberland County Council team had met with representatives from Heritage Lottery Fund to discuss the application. Feedback from the meeting was as follows:
- There is still strong support for the project;
  - Heritage Lottery Fund can only decide you fund up to £2-3M at a local level, if the bid is submitted with a request of funding in excess of this figure then the project will be considered at a national level. From a national perspective this project would find it difficult to successfully compete with the level of outcomes that are currently proposed.
- 4.6 The Project Board were obviously disappointed with the status of the project at this point. Northumberland County Council were of the opinion that the application date should be delayed until December 2017 for the following reasons:
- The bid for Heritage Lottery Funding has to be as strong as possible to maximise the possibility of being successful. With the increase financial contribution from Heritage Lottery Fund, the outcomes of the project have to be more aspirational in terms of heritage, economy and people. Extra time is required to make sure that the supporting information is in place for the application;
  - The Engineering team require time to identify areas of possible Value Engineering. This will need to be validated with Historic England and Historic Environment Scotland.
- 4.7 Also it was confirmed that with a new Administration at Northumberland County Council the project team needed to re-fresh the authorisation to continue with the project (including the Capital commitment).

4.8 Northumberland County Council committed to an increased financial commitment at the Cabinet meeting on 11 July 2017, based on:

- a contribution from Historic England (not previously offered)
- an increased contribution from Scottish Borders Council (without consultation with this Authority)
- an increased contribution from the Friends of the Union Chain Bridge;
- and the previously identified contribution from Historic Environment Scotland (commitment still to be obtained).

See **Table 1** Below and a copy of the report in **ANNEX 1**.

**Table 1** – Northumberland County Council proposed funding structure for the project

Party	Financial year					
	16/17	17/18	18/19	19/20	20/21	Total
HLF grant	nil	£636,141	£735,000	£1,328,859	£2,300,000	£5,000,000
Historic Scotland	nil	nil	£100,000	£300,000	£100,000	£500,000
Historic England	nil	nil	nil	£200,000	nil	£200,000
Friends of UCB	nil	nil	nil	£100,000	nil	£100,000
NCC	£93,759	£151,241	£95,000	£400,000	£260,000	£1,000,000
SBC	£35,000	£155,000	£150,000	£400,000	£260,000	£1,000,000

4.9 It has been requested by Scottish Borders Council lead officer that an independent project manager be introduced into the project team to create a controlled approach to the delivery of the Heritage Lottery Fund application process and ensure that targets are met going forward. This approach has been agreed and an appropriate resource is being procured.

4.10 Northumberland County Council have also brought in some former Heritage Lottery Funding officers to deliver the changes required to the application so that it can compete on a national level.

## 5 IMPLICATIONS

### 5.1 Financial

- Scottish Borders Council has currently committed £550k to the project to match fund the previous commitment from Northumberland County Council.
- The project team continue to challenge Historic England to deliver a solution that balances heritage aspirations against project budget.
- To match the potential commitment from Northumberland County Council the current budget would have to be increased by £450K from the block allocation for Roads & Bridges as per Table 2 below.

**Table 2 – Revised Capital Profile**

Heading	Financial year					
	Expenditure to date	17/18	18/19	19/20	20/21	Total
Existing Capital Budget	£35,000	£155,000	£150,000	£210,000		£550,000
Roads & Bridges Block Allocation				£190,000	£260,000	£450,000
<b>TOTAL</b>	£35,000	£155,000	£150,000	£400,000	£260,000	£1,000,000

## 5.2 Risk and Mitigations

- (a) Despite the efforts to Value Engineer the current project to reduce the capital cost, it is unlikely that it can be reduced significantly due to the heritage requirements set by Historic England and Heritage Lottery Fund. The Project Board have looked to maximise the other available funding from 3<sup>rd</sup> Parties. If the funding request to Heritage Lottery Fund exceeds the £5M it is unlikely that the application will be successful.
- (b) If the Heritage Lottery Fund application was unsuccessful and the authorities would be left with a declining asset, what could be delivered for the remaining money available (circa £1.8M)?
- Stripping out the heritage obligations of Heritage lottery Fund and Historic England, it would still be a £5M project to repair the bridge to secure the long term future of the structure.
  - However, as the bridge is listed there will still be heritage requirements set by Historic England and Historic Environment Scotland with any repair.
- (c) If the Heritage Lottery Fund application was unsuccessful future bids could still be submitted. However with the continued deterioration of the bridge and the risk of construction inflation the cost of a future project would increase, requiring an increased contribution from both Authorities.

## 5.3 Equalities

An Equalities Impact Assessment has been carried out on this proposal and it is anticipated that there are no adverse equality implications.

## 5.4 Acting Sustainably

If the future of the Union Chain Bridge is not secured there is a likelihood of a situation of managed decline and the reduction in its service to the local communities. This would have a localised negative effect on the economy of the communities and environmental impacts from increased journey distances.

## 5.5 Carbon Management

Not applicable.

**5.6 Rural Proofing**

Not applicable.

**5.7 Changes to Scheme of Administration or Scheme of Delegation**

Not applicable.

**6 CONSULTATION**

6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

6.2 Corporate Communications have also been consulted and any comments received have been incorporated into the final report.

**Approved by**

**Martin Joyce**

**Service Director Assets & Infrastructure**

**Signature .....**

**Author(s)**

Ewan Doyle	Project management Team Leader – 01835 825124

**Background Papers:**

**Previous Minute Reference: Executive Committee 7 March 2017**

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies.

Contact us at Jacqueline Whitelaw, Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 825431, Fax 01835 825071, email [eitranslationrequest@scotborders.gov.uk](mailto:eitranslationrequest@scotborders.gov.uk).

**ANNEX 1 – Northumberland County Council –  
Cabinet Committee Report –  
11 July 2017**



## NORTHUMBERLAND

Northumberland County Council

COMMITTEE: CABINET

DATE: 11<sup>TH</sup> JULY 2017

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TITLE OF REPORT    UNION CHAIN BRIDGE RESTORATION PROJECT

**Report of:**            Paul Jones, Director of Local Services & Housing Delivery

**Cabinet Member:**   Glen Sanderson, Environment and Local Services

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**Purpose of report:**

To seek approval for the submission of a Stage 1 Bid to the Heritage Lottery Fund in respect of the Union Chain Bridge Restoration Project, which seeks to undertake essential restoration works to this important heritage asset that will safeguard its future and status as the world's oldest single span suspension bridge still open to traffic and enhance its contribution to the local tourism economy. The report also seeks a financial commitment of £755,000 from the Council's capital programme over the 3 year period from 2018/19 to 2020/21 as part of the match funding required to support the delivery of this £7.8m project.

**Recommendations**

That Cabinet approves the submission of a Stage 1 Bid to the Heritage Lottery Fund in respect of the Union Chain Bridge Restoration Project, and gives a firm commitment to a capital contribution of £755,000 towards the successful delivery of the project to be profiled as follows:

2018/19:	£95,000
2019/20:	£400,000
2020/21:	£260,000

**Link to Corporate Plan**

This report is relevant to the following priorities in the NCC Corporate Plan 2013-2017:

- Economic Growth
- Places and environment
- Stronger communities and families

## **Key issues**

- Northumberland County Council (NCC), together with Scottish Borders Council (SBC), has previously made a commitment to supporting the restoration of the Union Chain Bridge through match funding a potential Heritage Lottery Fund Grant.
- The Stage 1 bid to the Heritage Lottery Fund is to be submitted on 31st August 2017 and it will be necessary for both NCC and SBC to demonstrate a firm commitment to the required match funding.
- This match funding commitment needs to be demonstrated either in the MTFP or from future LTP allocations.
- It should be noted that the reasoning for pursuing an HLF grant was that the Bridge did not contribute significantly enough to the NCC Highway Network to be deemed a priority for LTP funding of this scale.

## **Background**

This internationally significant bridge, constructed in 1820 and spanning the River Tweed on the Anglo-Scottish border, 8km from Berwick, requires urgent conservation and engineering repairs to primary structural elements, in order to secure its future as a river crossing.

It has been on Historic England's 'Heritage at Risk' Register since 2013 as Priority Category: C, Condition: Poor, based upon several significant engineering problems.

The bridge comprises a single suspension span of 137m of timber construction supported from wrought iron chains by wrought iron hanger bars. If these vital repairs are not undertaken, the Bridge will close to vehicles, losing its World status as the oldest surviving suspension bridge carrying traffic, causing serious loss to the local community.

The Bridge was formerly included in the Tweed Bridges Trust and subsequent to the dissolution of the trust, the liability for maintenance and repair rests equally between Northumberland County Council and Scottish Borders Council.

There have been engineering and condition issues with the bridge for a number of decades, but given the low usage and minimal contribution to the highway network as a whole, these issues never became LTP priorities.

The condition of the bridge had been of concern to local stakeholders for a number of years resulting in NCC effectively being accused of neglecting the structure. Following the short term closure of the bridge in 2008 due to the repair of a fractured suspension hanger, pressure was increased on NCC by stakeholders and the then English Heritage to formulate longer term proposals for the care of the structure. This pressure was intensified with the advent of the 200th anniversary of the bridges' opening in June 2020.

As a condition of being given listed building consent to carry out the temporary repairs in

2008, the then English Heritage required that a Conservation Management Plan be produced. Such a plan was produced and published in 2010 and indicated that the cost of repairs to address deterioration alone was of the order of £3.4M before any of the engineering issues were dealt with. It was clear that to attend to all the issues in order to carry out a comprehensive restoration would require a funding commitment by NCC and SBC that would effectively be unaffordable given other LTP Priorities.

The Conservation Management Plan proved to be pivotal in starting to draw the various parties together in working towards a common goal. In the years that followed significant local, national and political support was gained mainly through the action of the “Friends of the Union Chain Bridge” group and it was concluded that the best chance of funding the repairs was to make an application to the Heritage Lottery Fund for the bulk of the costs of repairs.

There was political support for this decision from both NCC and SBC and consequently a figure of £500k was entered into the Medium Term Financial Plan (MTFP) to demonstrate a commitment to the project.

The current position represents the culmination of over a decade of involvement with heritage bodies and influential stakeholders, including the “Friends of the Union Chain Bridge” Group, a former MP/MSP, eminent professors of engineering, the Institution of Structural Engineers and the Institution of Civil Engineers.

We are currently preparing a Heritage Lottery Fund stage 1 bid document for submission in August and as such we need to be able to demonstrate a commitment by NCC and SBC for the required match funding. In order to strengthen our chances of a successful bid outcome it is essential that agreement is secured from the Cabinet in July 2017 to NCC’s capital funding contribution, so that this can be evidenced in the HLF bid documentation for submission in August.

This bid document has been prepared after extensive joint working and consultations over the previous 12 months with Historic England, Historic Scotland and independent conservation architects. This has established the extent of work required, the balance between repair of existing fabric and replacement, the methodology for the works to be carried out which has, in turn, led to the ability to estimate the works cost. In addition there has been extensive work undertaken regarding the necessary educational and heritage aspects of the scheme to increase the attractiveness of the bid to the Heritage Lottery Fund and enhance its role as a visitor attraction to support the local tourism economy.

The current estimated total project cost breakdown, including works undertaken to support production of the stage 1 bid document, is as follows:

Activity	Cost
Initial development to establish outline proposals suitable to all parties, including Historic England and NCC Conservation team	£100,000
Development costs (technical, educational and heritage)	£1,700,000

Delivery costs	£6,000,000
Total	<b>£7,800,000</b>

The maximum available grant from HLF is £5M leaving a funding shortfall of £2.8M

It is expected that match funding contributions totalling £800,000 will be secured towards the project from a range of organisations, including Historic Environment Scotland, Historic England and the Friends of Union Chain Bridge. It is proposed that the remaining balance of the match funding contribution of £2m will be met 50/50 by NCC and SBC both contributing £1m each in total. NCC is currently seeking formal confirmation of the match funding contributions to demonstrate the full match funding package is available in support of the HLF bid.

The financial profiling of the NCC contribution is expected to be as follows:

	Financial year					
	16/17	17/18	18/19	19/20	20/21	Total
NCC	£93,759	£151,241	£95,000	£400,000	£260,000	£1,000,000

The NCC spend in 16/17 was funded from LTP and the ongoing work in 17/18 is currently being funded from LTP also. Therefore the future commitment required in the MTFP is £755K distributed as shown in the table, an increase in 255k over the existing MTFP budget allowance. The scheme will only proceed to construction if contributions are in place from the various funders, including the HLF Grant.

### **Implications**

<b>Policy</b>	None at this stage.
<b>Finance and value for money</b>	There would be a revenue cost associated with funding an MTFP commitment (unlike an LTP commitment) should the project be awarded the HLF grant and proceed to construction.
<b>Legal</b>	None at this stage.
<b>Procurement</b>	None at this stage.
<b>Human Resources</b>	None at this stage.
<b>Property</b>	Successful delivery of the scheme would ensure that this important heritage asset was removed from Historic England's 'at risk' register.
<b>Equalities</b> (Impact Assessment attached)	None at this stage.

Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
<b>Risk Assessment</b>	None at this stage.
<b>Crime &amp; Disorder</b>	None at this stage.
<b>Customer Consideration</b>	Successful delivery of the project would ensure this important heritage asset was safeguarded for the future, continued to be open to traffic for the benefit of the local community and supported the local tourism economy.
<b>Carbon reduction</b>	None at this stage.
<b>Wards</b>	Norham and Islandshires

### **Consultation**

The Director of Local Services & Housing Delivery, Head of Technical Services and Portfolio Holder for Environment and Local Services have all been consulted on the contents of this report.

There have also been significant consultations and engagement with SBC, stakeholders, Heritage Bodies and the HLF in the development of the project to date.

### **Background papers:**

None.

### **Report sign off.**

Finance Officer	AM
Monitoring Officer/Legal	N/R
Human Resources	N/R
Procurement	N/R
I.T.	N/R
Director	PJ
Portfolio Holder(s)	GS

### **Author and Contact Details**

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