
UNION CHAIN BRIDGE HERITAGE LOTTERY FUNDING UPDATE

Report by Service Director of Asset & Infrastructure

EXECUTIVE COMMITTEE

5 June 2018

1 PURPOSE AND SUMMARY

- 1.1 This report provides an update on the progress of the Stage 1 Heritage Lottery Fund application and the way forward for the Stage 2 application.**
- 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, Woodhorn Charitable Trust and Scottish Borders Council submitted a stage 1 Heritage Lottery Fund application in December 2017.
- 1.4 The Stage 1 application was successful and Heritage Lottery Fund will contribute 49% of the £729,934 project development costs to deliver a Stage 2 application by March 2019.
- 1.5 There are a significant number of design and heritage development activities to be undertaken by March 2019 and Heritage Lottery Fund will undertake a mid-point audit of progress and direction in December 2018.
- 1.6 The project is still reliant on a significant number of external funding commitments. A project fundraiser will be commissioned during this stage to secure the current anticipated funding. The fundraiser will also support the Friends group to help them achieve their commitment to the project.

2 RECOMMENDATIONS

- 2.1 I recommend that the Executive Committee:-**
 - (a) Notes the information within this report.**
 - (b) Agrees the way forward to assist Northumberland County Council with the successful delivery of the Stage 2 application to the Heritage Lottery Fund.**

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, for the purposes of carrying vehicular traffic, 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 and 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 the bridge 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 functional loss of a historical vehicle bearing bridge with an attendant negative impact on the reputation of both Councils.
- 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 Both Authorities originally committed £550k towards the conservation of the bridge to act as leverage for external funding.
- 3.7 Through the development of a Heritage Lottery Funding Bid since 2016 there has been significant investigation undertaken to increase the level of information regarding the actual condition of the bridge and the reality of the actual work required to secure its future use. Together with the requirement to deliver heritage and educational activities to promote the bridge and gain Heritage Lottery Fund support, the projected costs increased from an estimated £5M in 2014 to £7.4M in December 2017.
- 3.8 The Executive Committee confirmed the increase of the Council's contribution to £1M on 15 August 2017 to match Northumberland County Council contribution to a Heritage Lottery Fund application targeted at December 2017.

4 APPLICATION PROGRESS UPDATE

- 4.1 The team that was created in August 2017 to produce a stage 1 Heritage Lottery Fund bid were able to submit the application for closing date of 7th December 2018.

- 4.2 During the Heritage Lottery Fund application review period (December 2017 to April 2018) the project team continued to undertake engineering assessment activity and design to continue to meet the delivery programme submitted in the application.
- 4.3 Heritage Lottery Fund confirmed the approval of the project's Stage 1 Application on 5 April 2018. This confirmation released £360k of Heritage Lottery Funding to match the Authorities funding to deliver the Stage 2 application (£729,934 in total). The Approval permits:
- To complete all development activities as set out in the Round 1 application form, including design development of the Union Chain Bridge restoration together with the activity plan, management and maintenance plan and all other documents required for a Round 2 submission.
- 4.5 Heritage Lottery Fund stressed the following points in their confirmation letter:
1. A first-round pass means that we believe that your project has potential to deliver high-quality outcomes and value for Lottery money.
 2. A first-round pass does not guarantee that you will receive a grant.
 3. Your second-round application will still be in competition for funding.
 4. You must complete the development activities and documents by 30 June 2019.
- 4.6 The project team pushed to commence the next stage of the process, but unfortunately the earliest meeting that was arranged with Heritage Lottery Fund to agree the 'permission to start' submission documents was 30 April 18. The permission to start documents were submitted on 9 May 2018 and the formal 'permission to start' was granted on 18 May 2018.

5 DELIVERING A STAGE 2 APPLICATION

- 5.1 The development of the Stage 2 application will require the development of:
1. The procurement of Conservation Architect, Ecological Clerk of Works, Contracting Consultant, specialist design consultants, Project Manager, Fundraiser, Interpretation Planner.
 2. The detailed design of the bridge refurbishment;
 3. All construction consents;
 4. Procurement of the Main Works Contractor;
 5. Activity Plan, Interpretation Plan, Business Plan, STEM/STEAM framework and research framework.
 6. Pilot activities;
 7. Volunteering activities;
 8. Producing the stage 2 application.
- (the Stage 2 delivery programme is contained in Annex 1)**
- 5.2 The target date for submitting the Stage 2 application is 28th March 2019, but this date will be confirmed later in the year by Heritage Lottery Fund.
- 5.3 The delay to the 'permission to start' process has reduced the Stage 2 deliver programme by nearly two months, which again makes it challenging, but the team still believe that it is achievable.

6 IMPLICATIONS

6.1 Financial

- (a) Scottish Borders Council has currently committed £1M to the project to match funding commitment from Northumberland County Council.
- (b) The project has to be funded by multiple parties to achieve the £7.4M project deliver. The Partners and the funding strategy is detailed in Table 1 below:

Table 1 – Funding Strategy

Party	Financial year	
	Total	Comments
SBC (ineligible)	£353,515	Funding that cannot be used as leverage against HLF funding
SBC (eligible)	£646,485	
NCC (ineligible)	£353,515	Funding that cannot be used as leverage against HLF funding
NCC (eligible)	£646,485	
HLF grant	£3,500,000	
Historic Environment Scotland	£500,000	In-principle suggested contribution based on an HLF funded project. Application process to commence as part of Stage 2
Historic England	£250,000	In-principle suggested contribution based on an HLF funded project. Application process to commence as part of Stage 2
Friends of UCB	£250,000	Target expectation committed to by the Friends. Training and support will be offered by the Project Fundraiser.
SUSTRANS	£100,000	In-principle suggested contribution based on an HLF funded project. Application process to commence as part of Stage 2
Berwick Preservation Trust	£5,000	In-principle suggested contribution based on an HLF funded project. Application process to commence as part of Stage 2
Volunteer Time	£179,025	An hourly rate is allocated to volunteer time and can be used as match funding for the project.
Private Donations	£624,391	A Fundraiser target, underwritten by NCC
TOTAL	7,408,416	

(c) The capital profile is provided in Table 2.

Table 2 – Revised Capital Profile

	Capital Financial Plan					
Heading	Expenditure to 31/03/18	18/19	19/20	20/21	21/22	Total
Union Chain Bridge	£233,000	£114,000	£653,000			£1,000,000

6.2 Risk and Mitigations

- (a) Heritage Lottery Fund are changing the way that the Stage 2 applications are assessed due to the reducing funding that they have and the increased competition of projects. Stage 2 applications will now be assessed against new Stage 1 Submissions to identify the best value projects to invest in. This is an added level of competition at Stage 2. The risk of failure will be mitigated as far as possible by keeping the Heritage Lottery Fund project monitor involved in the project development and the Heritage Lottery Fund will undertake and interim audit of the project in December 2018 to critique the development of the Stage 2 application.
- (b) The project is reliant on a significant number of external funding bodies to commit to the project. We have received a number of commitments in principle from funders, but their remains a £624k gap. It is important that the project Fundraiser secures the current level of expected funding and fills the £624k gap as soon as possible. The risk has been mitigated by the commitment from Northumberland County Council to underwrite any shortfall.
- (c) 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.
- (d) 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.

6.3 Equalities

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

6.4 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.

6.5 Carbon Management

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 result in an increase in carbon due to significantly extended vehicle journey between the local communities and environmental impacts from increased journey distances.

6.6 Rural Proofing

Not applicable.

6.7 Changes to Scheme of Administration or Scheme of Delegation

Not applicable.

7 CONSULTATION

- 7.1 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.
- 7.2 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, 15 August 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.

ANNEX 1 – Stage 2 HLF Application Programme

