
REPORT TO: MANAGEMENT COMMITTEE
23RD NOVEMBER 2022
BY: TOWN CLERK
SUBJECT: Towns Fund Project – Tower Gardens

PURPOSE: To Seek approval to sign the Grant Fund Agreement (GFA)

1 BACKGROUND

- 1.1 £500,000 has been allocated from the Towns Fund for reinstatement of historical Tower Gardens. The Council has agreed to contribute £30,000 in addition to the £500,000
- 1.2 Before any work can start, there needs to be an agreement in place between Historic Lincolnshire Trust who are managing this project on behalf of the Towns Fund Board and Skegness Town Council that forms the basis of the grant. This is known as the Grant Fund Agreement.

2 GRANT FUND AGREEMENT

- 2.1 Discussions have been ongoing for a few weeks regarding the wording of the agreement and Heritage Lincolnshire have agreed to make some changes in order to make the agreement more acceptable for Skegness Town Council.
- 2.2 The Grant Funding Agreement is a legally binding contract between Skegness Town Council and Heritage Lincolnshire Trust. The agreement sets out the terms for the grant and how this will be paid including:
 - Period of agreement
 - Responsibilities
 - Intellectual property
 - Variations
 - Termination
 - Communication
 - Disputes
 - Letting of associated contracts
 - Publicity
 - Claims
 - Liabilities
 - Repayment of grant
 - Breaches of the terms of grant

- Indemnities
- Schedule and Preliminary Milestones

2.3 Despite ongoing negotiations there is one risk within the agreement that cannot be removed as this forms part of the back-to-back agreements involving East Lindsey District Council and Government. This risk is the Government withdraws funding after the Council has committed to the works contract. This can be partly mitigated by:-

- Heritage Lincolnshire will draw down a large section of the grant once the Council has signed the agreement to ensure they can refund payments as these are occurred by the Council – this will then show as spent
- Within the contract between STC and the contractor we will have cancellation points should this happen. Outstanding works will have to be paid so that the contractor is not out of pocket. There is a small risk that the grant could be stopped before a cancellation is delivered and that there are outstanding costs, but the likelihood of this happening is quite small.
- Have regular payment milestones (monthly) within the works contract to ensure the amount outstanding at any one time is not significant
- A clause whereby Heritage Lincolnshire Trust and the Grantee collectively endeavour to ensure that all incurred eligible costs to date and the costs of demobilisation are covered by the grant prior to any such termination.

2.4 Overall, the risk that this occurs is small but Council needs to accept the risk if agreeing to sign the Grant Fund Agreement.

3 OTHER RISKS

3.1 As has previously mention there are risks associated with cashflow on the project. This represents the time difference between paying the contractor and claiming the grant back from Lincolnshire Heritage Trust or claiming VAT back from HMRC. This should be manageable within Council's overall cash holdings in its current account.

3.2 If there are unexpected costs, these would have to be met by STC. Council has agreed to hold in reserves £50,000 for this purpose, although additional costs will be avoided wherever possible.

4 NEXT STEPS

4.1 Once the GFA is signed work will commence to:-

- commission the pre-contract surveys
- identify contract details for the SCAPE Design and Build Contract
- Council to approve Design and Build Contract for Signature
- Works start on design

5 RECOMMENDATIONS

- 5.1 It is recommended that Management Committee
- a) Approve that the Grant Fund Agreement be signed and note the report.

For information relating to this report please contact The Town Clerk, Tower Gardens Pavilion, Skegness or email info@skegnesscouncil.org.uk

FOR DECISION