

# **EAST AYRSHIRE COUNCIL**

## **POLICY AND RESOURCES COMMITTEE – 14 NOVEMBER 2006**

### **BARONY 'A' FRAME TRUST**

#### **Report by the Acting Executive Director of Development and Property Services**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To seek approval for the Council to provide a bridging facility of between £150,000 and £250,000 to allow the Barony 'A' Frame Trust to carry out the Barony 'A' Frame restoration project.

#### **2. BACKGROUND**

- 2.1 The Barony 'A' Frame Trust was set with the primary objective of retaining and restoring the structure for the benefit of the public, thereby maintaining the mining heritage of the area and opening the 'A' Frame site, once restored, to the general public as a heritage and educational site of significant value.
- 2.2 The frame's significance is nationally recognised as a 'B' listed structure, the only one of its kind remaining in the UK and as such is important to Historic Scotland, East Ayrshire Council, the mining industry, Scottish Coal and most importantly the local Coalfield Communities
- 2.3 The Trustees have worked tirelessly over the last three years, with the support of Council Officers, to secure a funding package of £1.185m, from a total of 10 different funding agencies for the four main elements of the project, as shown in Appendix A.
- 2.4 The Trust is made up of eleven Trustees who meet quarterly to develop strategy and oversee delivery of the project. A working group of four Trustees, the Project Administration and Monitoring Officer and three Council Officers, meet more regularly to monitor project delivery. See Appendix A for further details.
- 2.5 This project has been developed in line with East Ayrshire's Community Planning Priorities and is identified within the Regeneration Outcome Agreement, as contributing to the overall regeneration of the former East Ayrshire Coalfield area.

#### **3.0 PROGRESS TO DATE**

- 3.1 Phase 1 of the Oral History Project started in January 2006 and will be completed by 31 December 2006. The restoration element of the project went out to tender in July 2006. This contract started on site on 19<sup>th</sup> September and will run for 14 weeks until 22 December 2006. The Landscaping tender is currently being evaluated and will run concurrently with the restoration project.
- 3.2 In recognition of the complexity of the above funding package and the reporting, compliance and monitoring requirements of individual funders, the Trust have appointed a Project Administration and Monitoring Officer to ensure that claims and monitoring reports are submitted on time and to minimise any delay in grant payments. This post has been separately funded through the Community Regeneration Fund.

3.3 The main funders for the project, Heritage Lottery Fund and Historic Scotland, make grant payments retrospectively and also retain a percentage of funding for up to a year after the work has been completed. This has given rise to cash flow implications which the Trust cannot facilitate and the Trustees have consequently written to East Ayrshire Council requesting that they consider providing an interest free bridging facility of between £150,000 and £250,000.

#### **4. FINANCIAL OVERVIEW AND ASSESSMENT**

4.1 The Trust has provided proof of grant awards as detailed under item 2.3 above, along with details of the terms and conditions of all funders. They have also provided a detailed cash flow forecast, prepared in conjunction with the Council's Technical Services Department, showing a minimum requirement of £150,000 with a worst case scenario projection of up to £250,000.

4.2 The restoration contract and landscaping contract are both being Project Managed by the Council's Technical Services Department, to ensure compliance with all statutory requirements and the necessary claims processes of funders. Site meetings take place every two weeks to enable claims to be signed off and submitted monthly.

4.3 The high degree of Officer involvement in the on-going delivery of the project is considered to minimise any risk in terms of the Council being exposed financially due to non-payment of grant.

4.4 The Trust has explored the possibility of obtaining bank loan or overdraft facilities. However, the nature of the 'A' Frame make it unattractive as security for commercial lenders.

#### **5. RECOMMENDATIONS**

7.1 The Committee is asked to:

- i) approve an interest free bridging facility of between £150,000 and £250,000, subject to terms and conditions to be approved by the Solicitor to the Council including repayment in full by 31 March 2008; and
- ii) generally note the contents of this report.

**Jim Kane**

**Acting Executive Director of Development and Property Services**

**13 November 2006**

Members wishing further information should contact Robert Paton, Head of Economic Development and Property (tele 01563 576142)

Implementation Officer: Robert Paton, Head of Economic Development and Property

### BARONY 'A' FRAME RESTORATION FUNDING PROFILE

| Funding Agency                    | Total Commitment  | Restoration     | Landscaping/<br>Heritage<br>Garden | Turbine/<br>Floodlighting | Oral<br>History<br>Phase 1 |
|-----------------------------------|-------------------|-----------------|------------------------------------|---------------------------|----------------------------|
| Heritage Lottery Fund             | £ 484,911         | £299,461        | £185,450                           |                           |                            |
| Historic Scotland                 | £ 333,716         | £333,716        |                                    |                           |                            |
| East Ayrshire Coalfield SIP       | £ 68,000          |                 |                                    | £68,000                   |                            |
| Coalfield Regeneration Trust      | £ 62,000          |                 | £ 62,000                           |                           |                            |
| Minerals Trust                    | £ 60,500          |                 | £ 60,500                           |                           |                            |
| East Ayrshire Council             | £ 60,000          |                 | £ 50,000                           |                           | £10,000                    |
| Community Regeneration Fund       | £ 47,000          |                 | £ 17,050                           | £ 4,950                   | £25,000                    |
| Community Env'ment Renewal Scheme | £ 43,750          |                 | £ 29,500                           | £14,250                   |                            |
| SCORE                             | £ 20,000          |                 | £ 20,000                           |                           |                            |
| SCISWF                            | £ 5,000           |                 | £ 5,000                            |                           |                            |
| <b>TOTAL PROJECT</b>              | <b>£1,184,877</b> | <b>£633,177</b> | <b>£429,500</b>                    | <b>£87,200</b>            | <b>£35,000</b>             |

### BARONY 'A' FRAME TRUST BOARD

Cllr William Menzies, East Ayrshire Council  
 Cllr Neil McGhee, East Ayrshire Council  
 Mr Philip Rayson, Scottish Coal  
 Mr John Smillie, Auchinleck Community Council  
 Ian Smith, Coalfield Communities Federation  
 Colin Watson, Ochiltree Community Council  
 Alex Mills, National Union of Mineworkers  
 Sandra Osborne, MP  
 Cathy Jamieson, MSP  
 Arthur Burley  
 Scott McColm

Chair  
 Secretary  
 Treasurer

### BARONY 'A' FRAME WORKING GROUP

Cllr William Menzies, East Ayrshire Council  
 Cllr Neil McGhee, East Ayrshire Council  
 Mr Philip Rayson, Scottish Coal  
 Ian Smith, Coalfield Communities Federation  
 Margaret Butler, Project Administration and Monitoring Officer  
 Susan Jones, Senior Planning Officer, Projects, Development & Property Services, EAC  
 David Nimbley, Senior Architect, Technical Services, Development & Property Services, EAC  
 David Donaldson, Project Officer, Development & Property Services, EAC  
 Lesley Arnott, External Funding & Sustainability Officer, Corporate Support, EAC