

# Apply to the levelling up fund round 2

## Submission details

|                      |                                      |
|----------------------|--------------------------------------|
| Submission reference | LUF20730                             |
| Created time         | Wed, 10 Aug 2022 09:35               |
| Signed-in user       | bdc826a4-dae4-4beb-9762-727a8ee992a6 |

## What is the legal name of the lead applicant organisation?

East Lindsey District Council

## Where is your bid being delivered?

England

## Select your local authority

East Lindsey

## Enter the name of your bid

Lincolnshire Wolds Culture and Heritage Programme

Does your bid contain any projects previously submitted in round 1? Yes

## Bid manager contact details

|                  |  |
|------------------|--|
| Full name        | Lydia Rusling  |
| Position         | Assistant Director Economic Growth                             |
| Telephone number | 07786 313227   |
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| Postal address   | Tedder Hall<br>Manby Park<br>Louth<br>Lincolnshire<br>LN11 8UP |

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## Senior Responsible Officer contact details

|                  |                              |
|------------------|------------------------------|
| Full name        | Michelle Sacks               |
| Position         | Deputy Chief Executive       |
| Telephone number | 01205 314200                 |
| Email address    | michelle.sacks@boston.gov.uk |

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## Chief Finance Officer contact details

|                  |                                    |
|------------------|------------------------------------|
| Full name        | Christine Marshall                 |
| Telephone number | 01775 761161                       |
| Email address    | christine.marshall@sholland.gov.uk |

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## Local Authority Leader contact details

|                  |                                |
|------------------|--------------------------------|
| Full name        | Craig Leyland                  |
| Position         | Leader                         |
| Telephone number | 01507 601111                   |
| Email address    | craig.leyland@e-lindsey.gov.uk |

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## Enter the name of any consultancy companies involved in the preparation of the bid

Amion Consulting

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## Enter the total grant requested from the Levelling Up Fund

£8091774

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## Investment themes

|                              |      |
|------------------------------|------|
| Regeneration and town centre | 0%   |
| Cultural                     | 100% |
| Transport                    | 0%   |

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## Which bid allowance are you using?

Full constituency allowance

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## How many component projects are there in your bid?

3

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## Are you submitting a joint bid?

No

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## Are you submitting a large cultural bid?

Yes

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## Grant value declaration

I confirm that the bid does not exceed £50 million grant value

Tick to confirm

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I confirm that at least 90% of the investment is in the cultural theme with the remaining percentage invested in activity that relates to the cultural project

Tick to confirm

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## Gateway criteria: costings, planning and defrayment

I confirm that some LUF grant funding will be defrayed in the 2022/23 financial year

Tick to confirm

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Costings and Planning Workbook

NEW East Lindsey LUF\_Package\_Bid\_Costings\_\_Planning\_Workbook\_V2.00 FINAL.dif

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## Provide bid name

Lincolnshire Wolds Culture and Heritage Programme

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## Provide a short description of your bid

This LUF bid will invest in three of Lincolnshire Wolds' most important heritage and cultural assets, transforming them into viable and sustainable venues for the benefit of communities and visitors alike:

Spilsby Sessions House: Grade II listed former courthouse, will be transformed into a vibrant cultural centre and creative hub.

Alford Manor House: Grade II\* listed building and the country's largest thatched manor house, will benefit from new community space and improved visitor facilities

Alford's only remaining windmill: Grade I listed, will be brought back into commercial use as part of a thriving visitor/community complex.

The LUF investment will safeguard these three "at-risk" heritage assets.

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## Provide a more detailed overview of your bid proposal

### Scheme Overview

This LUF application focuses on three of the most important heritage and cultural assets to the south of the Lincolnshire Wolds, providing them with sustainable operating models and creating a cluster of facilities which will deliver visitor growth and provide valuable amenities for local communities. The scheme will safeguard three "at-risk" heritage assets.

### Spilsby Sessions House

Sessions House, a Grade II listed building in Spilsby, will be developed into a creative and cultural hub. It will be managed by Spilsby Sessions House Trust Ltd, an independent arts development charity (awaiting registration). The project will create a range of spaces which will be used for the delivery of cultural and educational activities, including:

- Restoration of the building to create new flexible performance and multipurpose cultural space.
- Restoration of 'the Barn' as a new community and education space.
- Creation of a new function room, generating income and providing capacity for community events.
- Creation of a new bar, café and gallery to serve audiences, visitors and the local community.
- New visitor toilets and offices for the operational team.
- Creation of four new workspaces for local cultural organisations.

### Alford Manor House

Alford Manor House is a Grade II\* listed building, reputedly the largest thatched manor house in the country. Owned by the Alford and District Civic Trust, the site is a significant visitor attraction. It currently includes a local heritage museum, a tea room, gardens and a temporary functions space (marquee).

The project would create a permanent new 237m<sup>2</sup> function space to replace the temporary marquee. This will allow for the relocation/improvement of the tea room and kitchen, freeing up space for the heritage display within the museum. As part of the project, the heritage collection which relates specifically to the history of milling will be moved from its store at the Manor House to Alford Windmill. The project will deliver:

- A new community venue which will enhance social interaction in a rural community.
- Improved layout displays and site entrance/carpark.
- Dry rot repairs and thatch renewal (incorporating fire improvements).

### Alford Windmill

In 2000, Alford Windmill was in full working order, producing flour and supported by a thriving café and shop. Major repair works are now needed, which are due to be carried out by its current owners Lincolnshire County Council (LCC). Following these, the Windmill's ownership will transfer from

LCC to Alford Town Council who will establish a new charity, the Alford Windmill Trust, to reopen and operate the Windmill as a major visitor attraction with a viable operating model.

The LUF project will make several critical improvements on the site:

- The Windmill will be brought back into working order (funded by LCC)
- The Millers Cottage, currently unused, will be restored and turned into a new, three-bedroom holiday cottage
- The Bakery, Sail House and Engine Shed will be brought back into use
- A new building of 105m<sup>2</sup> will be created house the Millwrights story, the historic Thompson Collection, a new café and a shop.

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## Provide a short description of the area where the investment will take place

### Local Cluster of Heritage Assets

The LUF package of projects represents a significant investment in the local culture, heritage and visitor economy. Alford and Spilsby are near each other (15-minute drive), therefore the LUF investment would work to develop a local cluster of high-quality heritage and culture assets that would benefit the economy through increasing the number of visits by tourists. The redeveloped assets will help to develop a strong local community.

The local authority led regeneration of key cultural and heritage sites in Spilsby and Alford will contribute to developing the area into a tourism destination with an improved sense of local community identity, wellbeing and pride of place.

Spilsby Sessions House, is located on Church Street in Spilsby in the East Midlands Region of England. Spilsby is a market town adjacent to the main A16, located to the east of Lincoln and north-west of Skegness, lying on the southern edge of the Lincolnshire Wolds and north of the Fenlands. As of the 2011 census, the population of Spilsby is 3045. Traditionally a rural agricultural economy, Spilsbury Sessions House is located within one of the 20% most deprived areas of the country.

Alford Manor House is located on the corner of Park Lane and West Street, with Alford Windmill only 0.5 miles along the A1104. With a 2011 population of around 3,500. Both the House and the Windmill are located within a neighbourhood that is the 30% most deprived in the country.

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### Optional Map Upload

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## Does your bid include any transport projects?

No

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## Provide location information

### Location 1

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|                         |          |
|-------------------------|----------|
| Enter location postcode | PE23 5DY |
|-------------------------|----------|

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|                               |                   |
|-------------------------------|-------------------|
| Enter location grid reference | 53.17408, 0.09243 |
|-------------------------------|-------------------|

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|  |     |
|--|-----|
| Percentage of bid invested at the location | 62% |
|--|-----|

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**Optional GIS file upload for the location**

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**Location 2**

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**Enter location postcode** LN13 9HT

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**Enter location grid reference** 53.26164, 0.17803

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**Percentage of bid invested at the location** 24%

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**Optional GIS file upload for the location**

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**Location 3**

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**Enter location postcode** LN13 9EL

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**Enter location grid reference** 53.26571, 0.18414

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**Percentage of bid invested at the location** 13%

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**Optional GIS file upload for the location**

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**Select the constituencies covered in the bid**

**Constituency 1**

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**Constituency name** Louth and Horncastle

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**Estimate the percentage of the bid invested in this constituency** 100%

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**Select the local authorities covered in the bid**

**Local Authority 1**

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**Local authority name** East Lindsey

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**Estimate the percentage of the bid invested in this local authority** 100%

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**Sub-categories that are relevant to your investment**

**Select one or more regeneration sub-categories that are relevant to your investment** Commercial  
Civic  
Other Regeneration

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**Describe other regeneration sub-category** Cultural

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**Select one or more cultural** Arts and Culture

## Provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome

### Introduction

Two applications are in progress for other funding schemes that would support the delivery of the scheme as match-funding. These applications are not alternative funds but intended as match.

Crowdfunding will also be explored for all projects.

### National Lottery Heritage Fund (NLHF)

An EOI for Spilsby Sessions House for £249,000 has been submitted to the NLHF. This fits into their medium Grant Programme for a quick one stage decision. Full submission is expected before Jan 2023 with decision prior to LUF full business case submission. This fund will be around 5% of the total project cost and thus considered to be competitive. The applications meet all nine of the NLHF's objectives.

### Arts Council

An application to the Arts Council will be made for theatre fitout of Spilsby Sessions House for £51,000.

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## Provide VAT number if applicable to your organisation

N/A

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## Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community

An initial Equality Impact Assessment has been undertaken for the scheme, which outlines how the scheme will promote good community relations, reduce disparities amongst different groups and strengthen local community integration. The Equality Impact Assessment is available at Appendix A.

The Spilsby Sessions House project will offer the following public benefits:

- The public will be able to access their historic Sessions House, enabling the building to be at the heart of community life in Spilsby;
- The fascinating history of the building and of Spilsby's wider heritage, will become accessible to all through the creation of an exciting interpretation scheme;
- Learners of all ages will benefit from creation of dedicated spaces for learning. As well as providing a space for this project's learning activities;
- The protection and conservation of a nationally significant heritage asset. This will secure the building's long-term future for current and future generations;
- More ways for local communities to participate in their heritage during the construction phase through a programme of outreach and other activities,

including a schools' programme, volunteering, and skills development opportunities;

- More ways for local communities to participate in their heritage once the Sessions House re-opens to the public, including through more volunteering and learning opportunities, and by holding more activities and events, including outside of normal opening hours;

- Availability of the building for use by individuals and community groups outside of normal opening hours, thus enabling this important historic space to be used by more people at more times;

- More ways into their heritage for currently under-represented and excluded audiences, such as young people;

- Greater opportunities to participate in activities, which in turn can have a positive impact on the health and well-being of local communities; and

- Creation of up to 50 new volunteering opportunities.

The Alford Manor House project will deliver:

- A new community venue which will enhance social interaction in a rural community;

- An increase of visitors to the site, bringing economic benefit to the area;

- A sustainable financial model which will protect the important heritage asset for future generations; and

- A coherent visitor offer across the Manor House and Windmill.

The Alford Windmill investment will deliver:

- Over 33,000 additional visitors to the area, bringing economic benefits to the community;

- The links with the Manor House will allow Alford to develop and thrive as a destination;

- The local community will benefit from the reopening of the café, providing a valuable new community amenity; and

- A new exhibition which showcases the milling heritage of the area and encourages local pride and sense of place.

The capital works will be consulted, designed and constructed in accordance with the relevant legislation around equality and accessibility. The final detailed specification will take into account additional community consultation and provide an opportunity to integrate modern solutions and technologies to ensure access and enjoyment for all users who are limited in their mobility.

All works facilities management policies and operational procedures will be fully compliant with Equality and Diversity, Data Protection and Sustainability legislation. All staff employed on site will be required to undertake annual training across in equality and diversity, safeguarding and data protection to ensure that relevant policies and legislation are effectively implemented in the interests of all users. Future events, activities, leisure and trading opportunities will also be designed in accordance with the key principles of PSED to ensure access and engagement for all audiences and users.

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**Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?**

Yes

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## Does the support measure confer an economic advantage on one or more economic actors?

Yes

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### Provide further information supporting your answer

Spilsby Sessions House Trust Ltd - yes.

Alford and District Civic Trust Ltd - yes.

Alford Windmill Trust Ltd – yes.

Contractors – no, market rate.

Please refer to DWF's Subsidy advice set out at Appendix B for further details.

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## Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?

Yes

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### Provide further information supporting your answer

Yes (all interventions).

Spilsby Sessions House Trust Ltd - yes.

Alford and District Civic Trust Ltd - yes.

Alford Windmill Trust Ltd – yes.

Contractors - yes.

Please refer to DWF's Subsidy Advice at Appendix B for further details.

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## Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

Yes

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### Provide further information supporting your answer

Yes (all interventions).

Spilsby Sessions House Trust Ltd - yes.

Alford and District Civic Trust Ltd - yes.

Alford Windmill Trust Ltd – yes.

Contractors – no, market rate.

Please refer to DWF's Subsidy advice at Appendix B for further details.

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## Public policy objective principle

### Demonstrate below how your bid meets this principle

The application of the Principles will be very similar for all three awards (i.e. to Spilsby Sessions House Trust Ltd, Alford and District Civic Trust Ltd and Alford Windmill Trust Ltd).

The specific public policy in this case is to improve the quality and functioning of the existing heritage and cultural offer by restoring heritage assets for

commercial and community use in the area (which suffers from regional disadvantage and a host of other failures). This will be done by closing the viability gap on this investment with the owner and operator.

The objectives of the Project were set through feasibility study, stakeholder and public survey/consultation exercise.

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## Proportionate and limited principle

### Demonstrate below how your bid meets this principle

Further work will be done to narrow the intervention to the demonstrated viability gap and no more. The projected revenue over the estimated useful life of the new facility will only just cover operating costs, meaning the entire capital cost of the works can be publicly funded. This is understandable given the site abnormalities associated with the development (conservation deficit), together with the community offer element and demand levels in the area.

LUF funding agreement will also include a repayment of grant clause should viability gap be less than that anticipated.

Please refer to DWF's Subsidy advice at Appendix B for further details.

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## Change of economic behaviour principle

### Demonstrate below how your bid meets this principle

ELDC has been considering options for facilitating the three interventions including a "do nothing" option and cannot determine an alternative way that would be likely to deliver results at this cost other than subsidy.

ELDC has engaged in surveys/feasibility as well as stakeholder and public consultation and is satisfied these interventions will not happen absent subsidy intervention hence the behaviour changing effect.

Please refer to DWF's Subsidy advice at Appendix B for further details.

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## Compensation of costs otherwise funded by beneficiary principle

### Demonstrate below how your bid meets this principle

No works have started yet.

The public funding is a one off contribution to independently assessed (RICS/QS) capital costs since on-going revenue costs will in any event be funded by operating revenues.

Please refer to DWF's Subsidy advice at Appendix B for further details.

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## Appropriate policy instrument principle

### Demonstrate below how your bid meets this principle

ELDC has been considering options for facilitating development of each intervention including a "do nothing" option and other smaller scale and different delivery options but cannot determine an alternative way that would be likely to deliver results at this cost other than subsidy.

ELDC has considered other sources of funding but commercial funding would only exacerbate the viability gap. ELDC is implementing the Project itself (direct intervention).

Please refer to DWF's Subsidy advice at Appendix B for further details.

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## Competition and investment principle

### Demonstrate below how your bid meets this principle

ELDC preliminary studies support that the proposed works will have a limited negative effect on competition given the market failures which they will help rectify, and it actually expects the intervention will be a catalyst for future investment and not the other way around. It will commission further economic assessment to confirm this prior to award. The obvious benefit is the wider community well-being benefit a facility of this nature can bring.

The proposed subsidy can be analysed in terms of its inherent distortive effect:

The nature of the instrument - viability gap means that there is no other less distortive means of support available (eg loan).

The breadth of beneficiaries and the selection process - Subsidy to promote culture and heritage conservation that is made available to local disadvantaged population.

The size of the subsidy - it is limited in absolute terms to the viability gap and cannot be lowered.

The timespan over which a subsidy is given - it is a one off support rather than periodic.

The nature of the costs being covered - it is against professionally assessed capital costs rather than operating costs.

Performance criteria - performance criteria and a payment schedule linked to achievement of specific milestones will be incorporated into the subsidy agreement as deliverables with repayment.

Ringfencing - ELDC will separate each of the interventions and the transactions relating to the subsidy into a special purpose vehicle.

Monitoring and evaluation - these will follow UK Government guidance and embedded in the funding agreement.

Geographical and distributional impacts - the subsidy is to meet existing demand in the area and is not expected to relocate or displace activity from another area. It is for the benefit of local residents and so not a disadvantage to any other group (eg visitor attractions in the area).

Subsidy races - the project will not involve competing subsidies from other areas and will not seek to displace based on subsidy.

Please refer to DWF's Subsidy advice at Appendix B for further details.

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## Net positive effects principle

### Demonstrate below how your bid meets this principle

Negative effects on competition considered negligible and easily outweighed by positives of achieving the objective and uplift it will give the whole town. To be confirmed again once further studies of negative effects on competition.

Please refer to DWF's Subsidy advice at Appendix B for further details.

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## Will you be disbursing the funds as a potential subsidy to third parties?

No

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## Has an MP given formal priority support for this bid?

Yes

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|                           |  |
|---------------------------|--|
| <b>Full name of MP</b>    | Victoria Atkins MP   |
| <b>MP's constituency</b>  | Louth and Horncastle   |
| <b>Upload pro forma 6</b> | Levelling Up Fund Pro Forma 6 MP Formal Priority Support.pdf |

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**Describe what engagement you have undertaken with local relevant stakeholders. How has this informed your bid and what support do you have from them?**

Stakeholders

The proposed scheme builds upon a comprehensive programme of consultation that has spanned several years. Extensive engagement has been undertaken with a wide range of stakeholders. The stakeholders were selected due to their ability to shape the goals of the scheme, provide local knowledge, communicate with local community and develop relationships to the benefit of the scheme. The stakeholders engaged include:

Spilsby Session House - Spilsby Town Council; East Lindsey District Council; local community; local businesses; local councillors; Architectural Heritage Fund; The National Lottery Heritage Fund; The Theatres Trust; Magna Vitae.

Alford Manor House and Windmill - East Lindsey District Council; Lincolnshire County Council; local community; local businesses; local councillors; Alford Children's Centre; SHINE Lincolnshire; Alford Craft Market; Alford Town Council; Alford Windmill Trust; Alford Manor House Trust; Heritage Trust Lincolnshire; Lincolnshire Community & Voluntary Service.

Letters of support from local stakeholder are available at Appendix C.

Spilsby Sessions House

A Viability Study (see Appendix D) was undertaken in 2018 which focused on the potential future use of the building. The results evidence overwhelming public support for use as an arts facility, with 97% of respondents stating they would like the building to remain in use as a theatre.

During a later Phasing Study (updated June 2022), key stakeholders were sent a consultation document including a summary of the proposed phased and a draft of activities ideas for phase one. A series of video conferencing discussions were then held with stakeholders.

In 2019, ELDC commissioned the Institute of Place Management (IPM) to deliver 'Vital and Viable' workshops to stimulate businesses and the community to work together to support high street regeneration. IPM produced a 'Vital & Viable Spilsby' report that identified Spilsby's Sessions House as a key project. A presentation for trustees of Spilsby Sessions House Ltd, including a Q&A, was undertaken in November 2019. In January 2020, a public presentation, including a Q&A, was held at Spilsby's Franklin Hall as part of ELDC's "Vital & Viable" market towns strategy.

Alford Manor House and Windmill

For these projects, a range of public and stakeholder engagement took place in 2021. This included: a series of zoom/phone interviews with stakeholders between June-August, including interviews with local teachers; an online community survey (110 respondents); online focus groups; a public comment feedback station located in the museum; and team meetings with Manor House Museum staff.

Responses confirmed the desire for a joined-up approach for the Manor House and Windmill projects, with local organisation identifying that they were keen to take part in marketing and promotion methods, as well as commit to partnerships and joint ventures. Importantly, local schools identified links to the national curriculum and community groups expressed interest in using the

proposed facilities e.g. the befriending group, dementia group, and local children's centre.

#### Future Engagement/Consultation

The Council have committed to employing a Community Engagement Officer to manage engagement plans and consultation. The Engagement Officer will continue consultation through the design, development, monitoring and evaluation stages of the scheme.

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## Has your proposal faced any opposition?

#### Wide-ranging Support for the Proposals

The Council has progressed the scheme in consultation with key stakeholders impacted by the proposals and the wider community. The engagement with stakeholders and the public has demonstrated wide ranging support for the proposals, which will play a key role in supporting the long-term regeneration of the town.

No particular campaigns, groups or organisations have identified any significant opposition to the East Lindsey LUF proposals which have widespread engagement and support through the Council's vital and viable programmes.

Initial discussions with Historic England around the design of the proposals at Alford Manor House received mixed comments, supporting the principle of diversifying the use but suggested alterations to the design to reduce impact on the significance of the building. These have now been addressed in the latest designs and will be further developed as the project progresses.

The Council will continue to work in consultation with key stakeholders to ensure that the development of the scheme continues to be informed by community input, and that disruption to local businesses and residents is minimised during the construction period.

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## Do you have statutory responsibility for the delivery of all aspects of the bid?

No

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## Which parts of the project do you not have statutory responsibility for?

All three project sites are in separate ownership, however, the bids have the full support of all site owners (see Appendix C).

It is intended, except for the repairs to Alford Windmill carried out by Lincolnshire County Council (LCC), that East Lindsey District Council (ELDC) will be the lead applicant and accountable body, working with stakeholders to agree final design, tender and project manage all three projects from grant award through delivery to handover on completion.

As Local Planning Authority, through various legislation, ELDC can require works and to carry out in default if necessary. All three sites are listed buildings and will require both planning and listed building consents and need to comply with Building Regulations. Initial pre-app discussions for these have been supportive. Statutory consultees including Historic England and Amenity Societies, have and will continue to be consulted during the design and planning stages to inform the final design and any associated conditions.

As its current owners, LCC have a statutory responsibility to repair Alford Windmill which was recently added to the national "At Risk Register" and have

committed to do so. This will require an application for Listed Building Consent only. LCC can determine their own applications as the Local Planning Authority.

Following the repairs to the Alford Windmill, specifically to the tower to reinstate its cap and sails, the whole site will be transferred to Alford Town Council (agreement in principle in place) in the interim and a lease has been agreed for the Town Council to occupy and alter the remaining buildings on site (cottage, bakery, engine shed and sail store) - it is these aspects that form the LUF funded works. ELDC will take over the duty of Local Planning Authority for applications submitted by Alford Town Council or Alford Windmill Trust on the rest of the site.

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## Who is the relevant responsible authority?

Lincolnshire County Council

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## Support/consent of the relevant responsible authority

Do you have the support/consent of the relevant responsible authority? Yes

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Pro forma upload (if required)

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## Provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to

### Overview

East Lindsey is ranked as a priority Category 1 LUF investment area because of a number of socio-economic issues and challenges faced by the district. Overall, East Lindsey ranks within the 10% most deprived local authorities nationally. In terms of certain domains of deprivation, including income, employment, and education, skills and training, East Lindsey contains several pockets of severe deprivation. Since 2015, there is evidence that the relative deprivation in these key indicators has worsened.

### Tourism

East Lindsey is one of the largest districts in England. It is sparsely populated, with a range of market towns, seaside towns and dozens of villages. A large part of the district is in an Area of Outstanding Natural Beauty. There is also a rich architectural heritage in the district and there are number of conservation areas (17), listed buildings (over 1,400) and scheduled ancient monuments (over 150). The district's environment contributes to the area's cultural value, driving tourism and economic value.

In terms of attracting visitors to East Lindsey, the district suffers from several limiting challenges. The growth in the proportion of East Lindsey's older population (aged 65+) has outpaced the national rate since 2010. It is becoming increasingly difficult to attract younger people to the visit the district and engage with local heritage assets. Overcoming this challenge is imperative to developing a sustainable local economy. The tourism sector in East Lindsey was significantly adversely impacted by the Covid-19 pandemic. Many cultural assets had to close and the economic impacts of the pandemic on this sector are still being felt.

### Economy

When compared to Greater Lincolnshire and the national average, East Lindsey suffers from low levels of employment and economic activity. Almost one in ten working age residents (9.2%) in East Lindsey are unemployed, which is almost double the national average, and 37% of residents are considered economically inactive. In 2021, 57% of the resident population were employed compared to 75% nationally.

A skills deficiency across the district has led to a productivity gap between East Lindsey and wider comparators. East Lindsey has a very high proportion of residents with no recognised qualifications (18.5% compared to 6.4% nationally), alongside a lower proportion of residents with higher-level qualifications (24.4% with NVQ4+ qualifications in East Lindsey versus 43.1% nationally).

Millwrights are on the red list of endangered crafts with less than 10 full time craftsmen working in the UK at present. The investment in Alford Windmill allows for a permanent position to be created through the commercial use of the mill, which will also enable training to be provided. This is likely to be through a level 2 apprenticeship.

There is a reliance on employment opportunities in sectors such as tourism, that are accessible for local people. Investment in the local cultural and heritage sector is therefore key for developing local employment opportunities and growing the district's tourism sector, on which it is economically reliant.

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## **Explain why Government investment is needed (what is the market failure)**

Market Failure – why intervention is needed at East Lindsey

These heritage-based schemes would simply not be provided by a purely market-based solution. The private sector is incentivised by profit and will not undertake economic activities that do not make a sufficient return, like those in this LUF bid. Instead, without public intervention historic building would continue to deteriorate.

“Conservation Deficit”

The cost of repairs and refurbishments needed to bring Alford Windmill back into full working operation outweigh its current value. This is the same for Spilsby Sessions House, which has previously unsuccessfully applied for a phased delivery approach to The National Lottery Heritage Fund. The Session House Trust Ltd have recently been awarded a small grant from Historic England to provide temporary support to the roof to prevent collapse and water ingress. Without significant investment these nationally significant heritage assets and local landmarks will continue to decline and may be lost forever.

Increasing Running Costs

Alongside increased costs of maintaining heritage assets the rising cost of energy is also affecting their future sustainability. Levelling Up funding allows their redevelopment to include energy saving measures as well as diversification to safeguard their future.

Insurance costs at Alford Manor House have increased significantly over the last few years, to a point where this now exceeds revenue. Not investing in the building now will mean it will have to cease operation. Providing a year-round function space and replacing the thatch roof incorporating fire safety improvements will reduce costs and increase turnover.

Public Goods

Heritage is not something that is readily traded in the marketplace. These historic assets have an “Existence Value” where citizens across the country benefit from these buildings being maintained, even if they do not visit them. This LUF initiative also places a real emphasis on the public access to the historic site therefore, the private market would underprovide this aspect of the scheme and hence these proposals will not otherwise be taken forward. The



sustained public access to the site is required to ensure all groups, including the deprived communities across East Lindsey, can benefit from this cultural facility of the highest quality.

#### Positive Externalities

Wider benefits will be generated by the high-quality historic facilities such as enhancing the wellbeing of residents and the area's image which are not considered by market forces (positive). Without intervention, the buildings will further deteriorate, impacting the perception of the area as a destination (negative).

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## **Explain what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers**

#### The LUF Investment

The proposed scheme comprises the redevelopment of Sessions House in Spilsby (Grade II listed building), and cultural and heritage projects located at the Manor House and Windmill in Alford. All three historic assets are at-risk. Detailed design plans for each of these projects are available at Appendix E. Funding from the LUF would be specifically invested in the following:

Spilsby Sessions House – the project would deliver the restoration of the Grade II listed former courthouse, currently on the theatres 'at risk' register, into a sustainable theatre and cultural hub for visitors and the community. The project will deliver a full restoration of the building including restoration of the main theatre and cinema space; creation of new culture/heritage visitor experience; creation of new community hire/functions room; delivery of new visitor facilities including a main café bar, smaller bar, and visitor toilets; restoration of the Barn as a community/learning space; creation of four new workspaces for hire to local creative practitioners; and restoration of the garden and outdoor spaces.

Alford Manor House - the project would deliver a new build function space at Alford Manor House (a grade II\* listed building), which would replace the current temporary marquee used to accommodate weddings, funeral teas, private hires and community events. The site will also be redesigned to enhance the visitor experience, tackle much needed repairs to roof and timber frame, improve existing and introducing new displays, and improve arrival.

Alford Windmill – the project enhances the LCC funded repairs of the mill by developing and installing heritage interpretation and live displays to increase accessibility to the 7-storey tower, providing all visitors with an understanding of the building in operation. The Millers Cottage at Alford Windmill, currently unused, will be restored and turned into a new, three-bedroom holiday cottage. The remaining buildings on site (former Bakery, Sail House, Engine Shed and pigsties) which are currently vacant will be restored, with the addition of a new purpose-built visitor centre. Between them these will provide a new site entrance, café, shop (to sell mill produce), space to display a national Millwright collection (currently in storage at Alford Manor House), education room space and storage.

#### Addressing Local Challenges and Barriers

Delivery of the defined projects will provide a substantial stimulus to the local culture, heritage and tourism economy. This will specifically address the following local challenges and problems:

Low skills levels and productivity - East Lindsey suffers from a relatively low skills profile in comparison to the national average. Operation of the defined projects will offer skills and training opportunities to local people which are transferrable across industries.

Unemployment - regeneration of the sites and investment in the culture, heritage and tourism sector will generate much needed job opportunities for local people.



Attracting tourism – investment in the local cultural, heritage and tourism sector is vital for developing the district as a destination and improving the local perception and pride of place. This carries significant importance given East Lindsey's economic reliance on this industry.

Business density - restoring key heritage sites in East Lindsey will have wider impacts on economic prosperity and linked business start-ups.

Climate emergency - repurposing local heritage buildings so that they adhere to latest environmental guidance and best practice will lead to energy efficiency savings and reduction of carbon emissions.

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## Upload Option Assessment report (optional)

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## How will you deliver the outputs and confirm how results are likely to flow from the interventions?

### Theory of Change – East Lindsey

The proposed LUF projects are rooted in a clear Theory of Change model (see Appendix F). The context for the bid is provided by the longstanding issues facing East Lindsey: pockets of severe deprivation, an increasing elderly population, difficulties in attracting younger people to visit the district and engage with its heritage assets, and low levels of economic activity, employment and productivity. There is the need to reinvigorate the visitor offer in the light of stagnating visitor numbers pre-pandemic and the devastating impact of the pandemic on the tourist industry, particularly given its significant role in the local labour market.

The LUF proposal is a key intervention which will underpin the delivery of the emerging East Lindsey Destination Strategy, designed to achieve a better-quality visitor experience and higher visitor numbers. The package bid will strategically address these issues primarily by:

- Transforming three of the Lincolnshire Wolds most important heritage and cultural assets into viable and sustainable venues for the benefit of communities and visitors alike.
- Providing the venues with sustainable operating models for the future.
- Creating a closely located cluster of facilities which will deliver visitor number growth as well as providing valuable new amenities for the communities which surround them; and
- Safeguarding these important sites allowing them to develop and thrive as part of a new southern Wolds heritage and cultural offer.

The proposal comprises a comprehensive programme of restoration and improvements to the assets, informed by the Delivery Plan and programme timescales. To date:

- Detailed consultation has been undertaken on the proposals, including with Historic England.
- Landowners have been engaged and the bid has the support of all site owners; and
- Town Investment Plan for East Lindsey relating to the visitor economy has been developed.

### Developing the Projects

East Lindsey District Council has undertaken significant preparatory work and, together with Lincolnshire County Council, has invested resources in developing the projects and engaging with partners. In Year 1 (2022/23) the

first phases of capital development works will involve expenditure on detailed design work.

The outcomes in the short-term will include an increase in visitor numbers and footfall, particularly to town centres, an expanded programme of cultural events in the district and improved local employment opportunities. In the medium-term outcomes will include improved perceptions of East Lindsey by residents, businesses and visitors, improved pride in place and improvements to the wellbeing of local residents due to additional engagement with heritage. This will help to unlock further downstream positive outcomes as the LUF interventions stimulate further development activity in the district and revitalise the visitor economy.

Please see the attached Theory of Change (Appendix F). This will be reviewed and developed over the lifetime of the projects as circumstances change and as new evidence is obtained, as part of the evaluation framework.

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**Theory of change upload (optional)**

Appendix F - Theory of Change.pdf

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## **Explain how the component projects in your package bid are aligned with each other and represent a coherent set of interventions**

### Local Culture, Heritage and Visitor Economy

The proposed scheme represents a significant investment in the local culture, heritage and visitor economy. Alford and Spilsby are in close proximity to each other (15-minute drive), therefore the LUF investment would work to develop a local cluster of high-quality heritage and culture assets that would benefit the economy through increasing the number of visits by tourists. The redeveloped assets will help to develop a strong local community.

The scheme's projects are aligned and consistent with a number of local and national strategies around Levelling Up and using culture and heritage as a driver for local economic growth and enhanced community pride of place. Since 2019, the Council has been working with the Institute of Place Management to develop place-based action plans to enhance the vitality and viability of our market towns. The Alford and Spilsby projects are a central strand of delivering those respective action plans in each centre based on local consultation.

### At-Risk Heritage Assets

Delivering the redevelopment of this cluster of three key at-risk heritage assets not only meets LUF objectives but also aligns with the East Lindsey Local Plan Core Strategy (Adopted July 2018), Supporting Economic Growth for the Future and describes the significance of heritage assets of East Lindsey being "key considerations in all relevant development. They will help shape the social, environmental and economic heart of our communities, add to the visitor economy and will be enhanced for the enjoyment of future generations."

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## **Set out how other public and private funding will be leveraged as part of the intervention**

Spilsby Session House:

Historic England (secured match 22/23) = £49,156

National Lottery Heritage Fund (EOI submitted) = £249,000

Arts Council (future application to be made for fitout) = £51,000

Unidentified source = £50,500

Total = £399,657

Alford Manor House:

Alford and District Civic Trust (secured) = £50,000

Alford Windmill:

Alford Town Council (secured) = £12,000

Lincolnshire County Council (committed) = £500,000

Total match = £512,000

Total LUF Scheme:

Total scheme cost = £9,053,100

Total LUF funding = £8,091,774

Total Public Sector match-funding = £512,000

Total Private Sector match-funding = £449,327

Total match-funding = £961,327

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## **Explain how your bid aligns to and supports relevant local strategies and local objectives for investment, improving infrastructure and levelling up**

### Alignment with Local Policy

Reflecting the scope of the proposed intervention, design development has been progressed by a coordinated multi-service team in full alignment with local policy objectives. A brief overview of alignment is set out below and further detail can be provided upon request. The key strategic documents and plans, with which the proposed scheme aligns, include:

- Greater Lincolnshire Local Enterprise Partnership - Strategic Economic Plan
- East Lindsey District Council - Corporate Strategy 'Looking to the future 2020-2030'
- East Lindsey District Council - Local Plan (adopted 2018)
- East Lindsey District Council – Economic Development in East Lindsey: A Strategic Framework
- Lincolnshire Wolds and Market Towns Destination Management Plan
- East Lindsey and Boston Cultural Framework for Renewal
- East Lindsey Destination Strategy
- Cultural Framework for East Lindsey and Boston
- East Lindsey Tourism Framework (emerging)

The GLLEP Strategic Economic Plan identifies the conservation and restoration of heritage in the district as a priority for Greater Lincolnshire. The Plan sets out the need to develop the tourism offer, including overall appeal and appearance, access, infrastructure and visitor services. Similarly, ELDC's Economic Development Action Plan places a strong emphasis on development of the tourism offer to create new jobs and sustainable economic prosperity. In support of these actions, the Destination Strategy and emerging Tourism Framework for East Lindsey set out the priority to improve the quality of the visitor experience, as well as the opportunity to develop skills in the tourism

industry that will enable employees to follow clearer career pathways in the sector.

ELDC's Local Plan sets out strategic policies for the growth and development in East Lindsey. It seeks to deliver a growing and diversified economy that not only extends the important tourism base but supports the creation of all types of employment. The rich architectural heritage of East Lindsey is emphasised in the Strategy as an important local characteristic that should be capitalised on to achieve socio-economic growth. The redevelopment of three key heritage sites will contribute to developing the social, environmental and cultural value.

ELDC's Strategic Economic Framework sets out the need to strengthen the diversity and quality of the visitor experience and the performance of associated businesses as part of a year-round visitor economy. Development of cultural and heritage assets in the district's market towns, rather than along the coast, will work to develop a year-round tourism offer that is less dependent on typical summer tourism patterns.

The East Lindsey and Boston Cultural Framework for Renewal is a draft plan commissioned by the South and East Lincolnshire Councils Partnership, supported by Arts Council England. It sets out a vision that the two local councils will become beacons of inclusive cultural dynamism, fostering opportunities for culture-led renewal, where communities play an active role in developing visitor economy. The three projects within this bid are identified as core projects within the framework.

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## **Explain how the bid aligns to and supports the UK Government policy objectives**

### Alignment with National Policy

In February 2022, the Government published detailed plans to improve equality of opportunity and prosperity across the whole of the UK through the levelling up agenda. The Levelling Up White Paper (2022) sets out four specific levelling up objectives:

- 1- Boost productivity, pay, jobs and living standards by growing the private sector.
- 2 - Spread opportunities and improve public services.
- 3 - Restore a sense of community, local pride and belonging.
- 4 - Empower local leaders and communities.

The White Paper proposes 12 'missions' through which the above objectives will be delivered. The themes of the missions are as follows (corresponding to the numbering above):

- 1 - Living Standards, R&D, Transport Infrastructure, and Digital Connectivity.
- 2 - Education, Skills, Health, and Well-being.
- 3 - Pride in Place, Housing, and Crime.
- 4 - Local leadership.

The redevelopment of Spilsby Session House the two cultural and heritage projects in Alford meets a number of the Levelling Up missions. The proposed interventions will deliver a renewed pride of place resulting from new culture and visitor experiences. Restoration of the Barn as part of the Spilsby Sessions House project will create a community/learning space; creation of four new workspaces for hire to local creative practitioners; and restoration of the garden and outdoor spaces. This will provide basic skills and qualification opportunities for local residents, enhancing employment opportunities.

The Cultural White Paper (2016) recognises how culture can play an active

role in building a fairer and more prosperous nation. Public policy relating to culture is guided by four over-arching principles:

- Everyone should enjoy the opportunities culture offers.
- The riches of our culture should benefit communities across the country.
- The power of culture can increase our international standing.
- Cultural investment, resilience and reform.

Arts Council England Let's Create Strategy (2020) envisions that by 2030, creativity will be nationally valued, and all people will have access to high-quality cultural experiences. The strategy centres on three outcomes which ACE will work to deliver over the next decade:

Creative People - everyone can develop and express creativity.

Cultural Communities - villages, towns and cities thrive through a collaborative approach to culture.

A Creative & Cultural Country - England's cultural sector is innovative, collaborative and international.

Historic England's vision is for heritage to be valued, celebrated and shared by everyone. Its Strategy has three areas of focus:

Thriving Places – collaborating with people and partners to secure sustainable futures for historic places.

Connected Communities - bringing communities together and protecting the character of historic places.

Active participation – inspiring and equipping people to take action.

The bid for East Lindsey will provide a substantial stimulus to the local culture, heritage and tourism economy. The package of interventions will create a local cluster of high-quality heritage and culture assets that will benefit the economy through increasing the number of visits by tourists. Investment will be used to deliver the restoration of the Grade II listed former Spilsby Session Courthouse, currently on the theatres 'at risk' register, into a sustainable theatre and cultural hub for visitors and the community.

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## Alignment and support for existing investments

**Where applicable explain how the bid complements or aligns to and supports existing and/or planned investments in the same locality**

Towns Fund

There is also a strong link with the Towns Fund Investment Plans being implemented in East Lindsey which include a focus on arts/culture and the visitor economy. Further relevant project details to be added – perhaps highlight how this contributes to the 'cultural cluster'.

Alford Town Council

Alford Town Council (ATC) had plans drawn to enlarge library area with new children's library and community book café, create offices for ATC and Alford Hub with further office space for visiting professionals having business with Alford clients and finally to renew toilet block.

HM Treasury

ATC is applying to HM Treasury for a £200,000 loan to add to £50,000 provided by AFP and a changing room grant of £50,000 towards finance works.

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## Confirm which Levelling Up White Paper Missions your project contributes to

Select Levelling Up White Paper Missions (p.120-21)

Education  
Wellbeing  
Pride in Place  
Local Leadership

Write a short sentence to demonstrate how your bid contributes to the Mission(s)

The local authority led regeneration of key cultural and heritage sites in Spilsby and Alford will contribute to developing the area into a tourism destination with an improved sense of local community identity, wellbeing and pride of place. The projects will provide opportunities for local people to gain skills in the tourism industry, which are transferable to other employment sectors.

## Provide up to date evidence to demonstrate the scale and significance of local problems and issues

### Key Local Challenges

There is a clear acknowledgement of the social and economic value of improving an area's cultural and heritage offer, and its ability to deliver economic growth and drive regeneration. These impacts can range from growth in tourism, creative and cultural sectors, to enhancing individual skills, to strengthening community pride and place image. The impact on wider regeneration is many-fold as the investment in cultural assets can create employment, attract more visitors, stimulate town centre footfall, boost local business, and enhance an area's image. The bid for East Lindsey responds to the following local challenges and deficiencies:

- Pockets of severe deprivation
- Low skills profile
- High unemployment
- Ageing population
- Impact of Covid-19 pandemic, especially on tourism sector
- Low levels of economic activity

### Socio-economic Inequalities

East Lindsey ranks within the 10% most deprived local authorities in England. In terms of certain domains of deprivation, including income, employment, and education, skills and training, East Lindsey contains several pockets of severe deprivation. Since 2015, there is evidence that the relative deprivation in these key indicators has worsened, which highlights the need to address this gap.

When compared to Greater Lincolnshire and the national average, East Lindsey suffers from low levels of employment and economic activity. Almost one in ten working age residents (9.2%) in East Lindsey are unemployed, which is almost double the national average, and 37% of residents are considered economically inactive. In 2021, 57% of the resident population were employed compared to 75% nationally. Of those in employment, there is a reliance on employment opportunities in lower skilled sectors, such as tourism, that are accessible for local people.

### Tourism

Tourism is an important strand of the economy for East Lindsey. According to STEAM data for 2019, the last 'normal year' before the pandemic, the economic impact of tourism in East Lindsey was £733.46m, which supported 9,151 FTE jobs.

In 2019, East Lindsey attracted 4.91m total visitors, a figure which had been increasingly steadily over the last decade. Of these, 38% (1.87m) were staying

visitors. There is however a significant imbalance between the number of visitors staying along the coast and those staying in rural parts of the district. STEAM data for 2019 showed that over 75% of staying visitors to the district stayed on the coast (1.41m) with just 460k staying in rural areas.

#### Cultural and Heritage Offer

To increase the economic impact of visitors to the area, it will be important to increase the numbers of tourists staying overnight in rural East Lindsey. East Lindsey needs a cultural and heritage offer that attracts new markets that are prepared to spend more and visit at times other than the main season. Tourism growth needs to be sustainable and sympathetic to the place and the people who live here. Good places to visit are generally good places to live. The three projects included within this bid will have a significant impact on the key market towns of Spilsby and Alford, offering improved facilities for both visitors and residents alike.

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## **Demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues**

#### Quality Assurance

A robust evidence base is required to provide a comprehensive understanding of local context and to articulate local strengths, challenges, and opportunities in order that the scheme is targeted appropriately to meet need and gaps in existing provision. The evidence base has been gathered through desktop research.

A range of publicly available data sources have been used to describe the local socio-economic context and problems and issues facing the area. These sources include:

- LUF: Prioritisation of Places Methodology Note (2021-2022)
- Annual Population Survey (2020)
- English Indices of Deprivation (2019)
- Global Tourism Solutions (UK) Ltd – STEAM Trend Report East Lindsey

To ensure data robustness, multiple sources have been examined to verify the same conclusions. The overarching issues facing East Lindsey have been determined through national public statistics, supported by local stakeholder knowledge to illustrate how the Hub improvements could alleviate the socio-economic challenges in the area.

The unbiasedness of evidence presented from official public sources has been continually verified before submission. Certain public sources, such as the English IMD, allow sub-local areas to be examined to cross-check findings from bespoke surveys relating to socio-economic factors. Findings from the stakeholder engagement, which have highlighted the need for the proposed scheme, have been confirmed through the publicly available data. Stakeholder engagement is key to confirming the desktop research findings, as stakeholders have a comprehensive understanding of local and sector-specific needs.

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## **Demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions**

#### Catalyst for Further Investment and Regeneration

It is important to understand who is likely to benefit from the impacts generated



from LUF investment and the degree to which further demand and investment is stimulated. This assessment has informed the area of influence and thus the geographical level of data and evidence presented within the preceding questions and the rest of this bid.

The East Lindsey LUF scheme will act as a catalyst for further investment and regeneration through placemaking and tourism improvements. The three component projects will provide opportunities for new jobs, attract visitors and footfall, improve the skills profile of the resident population and attract further investment. This LUF application therefore comprises interventions that are significant at both a local and regional scale.

#### Spatial Scale

Data is presented at the most appropriate spatial scale, including district, regional level and national level. Data availability at these different geographic levels is subject to availability and timeliness. Data from these different geographic scales, particularly for data related to economic activity and skills, has been used for comparative purposes and to demonstrate inequalities between East Lindsey and the rest of country and hence the need for Levelling Up.

The socio-economic data indicators and evidence presented in the preceding questions were chosen to reflect key local issues challenges outlined through 'The Case for Investment'.

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## **Provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems**

### Addressing Key Local Challenges

The proposed scheme is expected to contribute significantly to addressing key local challenges and support Levelling Up within East Lindsey. This is illustrated at the scheme level within the Theory of Change (see Appendix F), with specific detail provided in relation to each component project below.

#### Spilsby Sessions House:

Problems addressed – low skills levels; low productivity; relatively high unemployment; declining visitor economy; poor perception of place; energy inefficient building.

Outputs – restoration of a Grade II listed building; creation of new performance and cultural space; restoration of 'The Barn' as a new community and education space; creation of a function room; restoration of the cells along with interpretation; creation of a new bar, café and gallery; new toilets and offices; four new workspaces.

Outcomes/impacts – improved cultural offer in East Lindsey; greater participation in arts and culture; improved wellbeing through engagement in social activities; professional development and employment opportunities in the local creative sector; increased spend by visitors to the centre.

Modelling basis – AMION Economic Impact Assessment model assesses economic impacts.

#### Alford Manor House:

Problems addressed – low productivity; relatively high unemployment; declining visitor economy; poor perception of place; energy inefficient building.

Outputs – 237m<sup>2</sup> of new community and events space; relocation of museum displays; improved museum layout and building layout; dry rot repairs and thatch renewal.

Outcomes/impacts – increased visitor numbers and spend; employment opportunities created; social cohesion and wellbeing.



Modelling basis - AMION Economic Impact Assessment model assesses economic impacts.

Alford Windmill:

Problems addressed – low productivity; relatively high unemployment; declining visitor economy; poor perception of place; energy inefficient building.

Outputs – restoration of the windmill and bringing it back into working order; restoration of the miller's cottage for use as a holiday cottage; bringing back into use of the bakery; a new building with display space, café and shop; car park and landscaping.

Outcomes/impacts – attract additional visitors to the town resulting in increased spend; improved image; employment opportunities created.

Modelling basis –AMION CBA model estimates economic impacts.

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## **Describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs**

Team of Professional Inputs

The assumptions are based on a range of forecasts, baseline evidence, expert advice and consultations, which have informed quality assured modelling by independent specialists, as follows:

Costings and Design Plans

Spilsby Sessions House – Bristow Consulting has developed a detailed Cost Plan for the scheme, informed by the work of the project architects (Tim Rolands Architects). Key assumptions are set out in the detailed Cost Plan (see Appendix G), and costs have been benchmarked based on the significant experience of the advisors in relation to other current schemes. The detailed Cost Plan makes provision for professional fees, marketing costs, developer contingency and finance costs.

Alford Manor House – A detailed Cost Plan for the scheme has been developed, informed by the work of the project architects (Stem Architects Ltd). Key assumptions are set out in the detailed Cost Plan (see Appendix G), and costs have been benchmarked based on the significant experience of the advisors in relation to other current schemes. The detailed Cost Plan makes provision for professional fees, marketing costs, developer contingency and finance costs.

Alford Windmill – A detailed Cost Plan for the scheme has been developed, informed by the work of the project architects (Stem Architects Ltd). Key assumptions are set out in the detailed Cost Plan (see Appendix G), and costs have been benchmarked based on the significant experience of the advisors in relation to other current schemes. The detailed Cost Plan makes provision for professional fees, marketing costs, developer contingency and finance costs.

Economic Analysis

AMION Consulting has developed a comprehensive Cost Benefit Assessment model for the scheme. This model is based on assumptions and best practice outlined in the HM Treasury Green Book – for example, there is a consideration of optimism bias and a discount factor of 3.5% is applied. Costs and benefits have been profiled over an appropriate period and an additionality factor is applied to each benefit category. A detailed explanation of the benefits assessed is available within the Economic Technical Note (Appendix H). AMION's modelling framework has been reviewed by Homes England analysts on behalf of DLUHC.

The model uses latest guidance from government departments, including values from the Green Book Supplementary Guidance for Wellbeing and the

DCMS Culture and Heritage Capital Evidence Bank. Given the type of project, the DCMS Culture and Heritage Capital Evidence Bank – cited as the key data source for cultural projects in LUF guidance – has formed an integral part of the analysis. In order to ensure robustness, only studies with an overall 'high' quality rating have been used. The Evidence Bank considers empirical design, method/dataset, and sample size. Historic England's 'Heritage and the Value of Place' and DCMS' 'The Economic Value of Culture' have been used for cultural and heritage wellbeing benefits – which form a core part of the analysis. Benefit modelling relating to the wellbeing benefits from dedicated cultural events has been informed by DCMS 'Quantifying and Valuing the Wellbeing Impacts of Culture and Sport'.

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## **Explain how the economic costs of the bid have been calculated, including the whole life costs**

### Overview

The basis for the calculation of economic costs is consistent with the financial appraisal, as outlined in Section 6 of the bid. It draws upon cost estimates prepared by the Council's appointed professional advisers including cost consultant based on designs by the relevant Architects.

### Converting Financial to Economic Costs

The nominal financial costs in the Financial Case have been converted to economic costs in line with the Green Book approach by using the inflation estimates from the Office for Budget Responsibility's (OBR) Economic and Financial Outlook to convert estimates of future costs to constant (2022/23) prices.

The constant price costs have been adjusted to present value costs by applying the Treasury's Social Time Preference discount rate of 3.5% per annum. Public capital expenditure within the programme is expected to run until 2025, in line with the Levelling Up guidance. These calculations are set out in the LUF Workbook.

### Optimism Bias

The economic costs for the proposed intervention include an allowance for Optimism Bias. This has been estimated using an Optimism Bias Mitigation Model based on the Supplementary Green Book Guidance produced by Mott MacDonald. The costs for all three projects (Spilsby Sessions House, Alford Manor House, and Alford Windmill) relate to standard building interventions (Upper Bound OB of 24%).

This level of OB has been reduced through appropriate mitigation for the project, including the Council's knowledge of the sites as well as the design and feasibility work undertaken for each project. A summary of the mitigations made for the project is included in the Economic Case Technical Note. The mitigated OB for standard building elements is judged to be 10%. Regarding duration of works, the mitigations mean that any overrun is expected to be a maximum of 2% of the duration of building works. It is not expected that this would have a material impact on project costs. However, the impact of higher costs is tested in the sensitivity analysis.

### Public Sector Economic Costs

The estimated discounted public sector cost of the overall project in 2022/23 prices derived from the financial budget cost estimates is set out below. There is no public income expected in the intervention or additional costs within the Reference Case therefore, the calculations are easily followed from nominal undiscounted prices to real discounted prices within the LUF workbook. All costs are financed by the public sector with no private sector contributions in the projects.

The net marginal public sector costs in discounted real prices are as follows:

Project 1 (Spilsby Sessions House): £5,284,522

Project 2 (Alford Manor House): £2,055,148

Project 3 (Alford Windmill): £1,141,990

Total: £8,481,660

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## Describe how the economic benefits have been estimated

### Economic Benefits

The framework for assessing the economic benefits of the LUF programme has been developed using the HM Treasury Green Book, guidance published by MHCLG and other government departments including DCMS and BEIS. Following published guidance, this has included the consideration of the following benefits within the BCRs, with the relevant projects included in the brackets:

Land value uplift (1,2,3) – analysis of changes in land values, which reflect the economic efficiency benefits of converting land into a more productive use. The existing land value is subtracted from the value of the more productive use.

Amenity benefits (1,2) – Consistent with the MHCLG Appraisal Guide, it has been assumed that new green spaces in an urban environment have an economic benefit of £109,138 per hectare per annum (2016 prices). This has been adjusted to 2022 prices and applied to the new public realm areas.

Labour Market (1,2) – benefits associated with the job creation and reduction in barriers to employment for local workers. In line with MHCLG guidance, a local GVA per worker figure for the relevant sectors has been applied to the jobs taken up by new entrants. In line with the labour market availability and WebTAG guidance, it is assumed 10% of jobs will be occupied by new entrants and there will be a 40% welfare impact for these jobs.

Employment wellbeing (1,2) – Benefits experienced by residents not currently in work who move into jobs created by project have been estimated based on values (£5,940 per year in 2018 prices) in the Green Book Supplementary Guidance for Wellbeing.

Heritage wellbeing (1,2,3) – benefits associated with the value from residents benefitting from the maintenance and conservation of historic assets have been calculated, having regard to benchmark values (£7.29 per household in 2020 prices) derived from 'high-quality' research cited in DCMS' Culture and Heritage Capital Evidence Bank. Appropriate catchments have been derived for the projects.

Museums visitors (1,2,3) – The Green Book Supplementary Guidance for Wellbeing shows that engagement with arts and culture has wellbeing benefits. Using a 'high-quality' study in the Culture and Heritage Capital Evidence Bank, which is cited in the Green Book Wellbeing and the LUF Guidance, we have applied a Willingness to Pay for users to the enhanced regional museum and cultural facilities (£3.63 per individual in 2020 prices).

Cultural Events (1) – Allowance has been made for the well-being benefits enjoyed by attendees at the dedicated cultural events, having regard to benchmark values derived from 2014 research published by DCMS and supported by the Green Book Supplementary Guidance for Wellbeing. At 2022 prices, this assumes that participants realise a lower-end wellbeing value of £55 from attendance at cultural events. Attendees have been projected by specialists for the project.

Volunteering (1,2) – As set out in the Green Book Supplementary Guidance for Wellbeing, volunteering is associated with enhanced wellbeing. Specialists for the project have forecasted the number of volunteers supported by the interventions. Using the approach and values figure stated in this guidance, we

have applied a value of £911 per volunteer per year using the subjective wellbeing valuation approach.

Education (1,2) –The benefits have been estimated through a wage premium from achieving Basic Skills courses and Apprenticeship qualifications as set out by BEIS, using the expected outputs from the facility.

Education wellbeing (1) – The Supplementary Guidance for Wellbeing shows that life satisfaction improves based on participation in school wellbeing or resilience programmes. Specialists have forecasted the number of educational programmes support by Project 1. We have monetised this effect at £2,366 per year for each participant, cited in the Wellbeing guidance.

A second BCR has been presented including distributional analysis – to reflect the larger benefits generated in a more deprived part of the country, aligning with the Levelling Up rationale.

Distributional analysis –The approach used to calculate these is that set out in the HM Treasury Green Book, based on equivalised disposable household income and welfare weights (the estimate of the marginal utility of income).

Detailed assumptions for the benefits and additionality are set out in the Economic Case Technical Note. Overall, an additionality rate of 71% has been applied to the benefits.

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## Provide a summary of the overall Value for Money of the proposal

### Value for Money

Benefit Cost Ratios, or BCRs, are widely used in government to assess the overall value for money of intervention. They are expressed as ratio of benefits over costs. For example, a BCR = 2.34:1 means that a project will generate £2.34 of benefit for every £1.00 of cost. It is important to note that these inputs are not financial and are only used in the Economic Case to assess VFM.

### Project 1 – Spilsby Sessions House

It is estimated that the Spilsby Session House scheme will generate direct benefits of more than £13.0 million. Allowing for distributional effects, reflecting the benefit of investment in an area of relative deprivation, the assessed benefit has increased to nearly £16.8 million.

Based on estimated net marginal costs of £5.3m, the identified benefit will support an initial BCR of 2.5:1 and adjusted BCR of 3.2:1. This is above the threshold of 2.0 and is therefore considered to be high value for money, particularly in light of the wider benefits described below.

### Project 2 – Alford Manor House

It is estimated that the Alford Manor House scheme will generate direct benefits of more than £5.8 million. Allowing for distributional effects, reflecting the benefit of investment in an area of relative deprivation, the assessed benefit has increased to nearly £7.4 million.

Based on estimated net marginal costs of £2.1m, the identified benefit will support an initial BCR of 2.8:1 and adjusted BCR of 3.6:1. This is above the threshold of 2.0 and is therefore considered to be high value for money, particularly the wider benefits described below.

### Project 3 – Alford Windmill

It is estimated that the Alford Windmill scheme will generate direct benefits of more than £4.3 million. Allowing for distributional effects, reflecting the benefit of investment in an area of relative deprivation, the assessed benefit has increased to nearly £5.6 million.

Based on estimated net marginal costs of £1.6m, the identified benefit will

support an initial BCR of 2.6:1 and adjusted BCR of 3.4:1. This is in line with the threshold of 2.0 and is therefore considered to be high value for money, particularly in light of the wider benefits described below.

Total

The overall programme has an initial BCR of 2.6:1 and adjusted BCR of 3.3:1 – both considered high value for money.

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**Upload explanatory note (optional)**

Appendix H - Economic Technical Note (1).docx

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## Have you estimated a Benefit Cost Ratio (BCR)?

Yes

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## Estimated Benefit Cost Ratios

|             |     |
|-------------|-----|
| Initial BCR | 2.6 |
|-------------|-----|

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|              |     |
|--------------|-----|
| Adjusted BCR | 3.1 |
|--------------|-----|

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## Describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed

Introduction

To analyse unquantifiable effects, an assessment of the wider benefits associated has been undertaken through a scoring and weighting framework. Potential wider benefits include:

Image, perception, and vitality: the schemes will sustain and greatly enhance the town's central tourism assets to greatly enhance the image of the area as a business location and tourism destination. The LUF award will help to establish a 'virtuous circle' of development and investment that will significantly enhance perceptions of the town, both internally and externally. The projects will work together to enhance the overall region as a location for tourism, arts and creativity.

Community pride – The schemes will re-establish the assets as a focus for work, leisure and key services. High quality design alongside the creation of facilities to host a wide range of community, cultural and civic functions, will contribute to enhancing community pride and integration.

Job quality and progression – The project will support new employment in a variety of sectors, including tourism, arts, F&B, co-working, and carpentry. There will be the opportunity for networking benefits which will lead to productivity uplift in these sectors. Additionally, the job quality will be greatly enhanced through this new provision, creating an attractive and desirable location to work with similar individuals.

Carbon saving and environmental benefits – Each of the projects have incorporated carbon saving measures to ensure there are environmental benefits compared to other projects and the existing counterfactual. For example, there is no new build element for Spilsby Sessions House, Alford Windmill incorporates solar panels to provide green energy, and Alford Manor House includes a ground source heat pump. Spilsby Sessions House could have a potential mix of solar and air source through project design.

Increased footfall and local spend – The projects are expected to greatly increase footfall levels through the sustainable and well-designed public realm

within the scheme. It is predicted that footfall will rise beyond pre-Covid 19 levels which will support new spending in the area to sustain a strong Covid-19 recovery for local businesses.

A weighting and scoring system has been used to assess these impacts as shown in the Technical Note. Overall, substantial wider benefits are expected to deliver scores above 8.0/10 for all three schemes.

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## **Provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid**

### Assessment of the Risks

A Risk Register (see Appendix I) has been prepared for the LUF package. Key risks/uncertainties that could affect Value for Money (VfM) include:

Cost increases – (a) property/site characteristics delay or constrain proposed re-development plans); and (b) inflationary pressures arise from labour and other factor shortages.

Lack of demand – There is risk that leisure and entertainment sectors will continue to suffer from the COVID-19 pandemic (and associated footfall reduction) or the forecasts are too ambitious.

### Sensitivity Analysis Approach

Sensitivity analysis has been undertaken to test the robustness of the value for money estimates and their susceptibility to change in any of the key conditions underlying the programme. The sensitivity analysis has taken two forms, namely scenario testing (amendments to key costs or outputs linked to risks) and switching values (the point at which the programme moves from offering 'acceptable' value to money (a BCR of over 1.0) to 'poor' value for money (a BCR of under 1.0).

### Scenarios

The following scenarios have been run:

Scenario 1: Optimism bias is applied at 24% for all costs.

Scenario 2: Optimism bias is applied at 10% for all benefits.

Scenario 3: Visitor forecasts for cultural events and museums are reduced by 25%.

Scenario 4: Costs increase by 10% and benefits reduce by 10%.

The scenario test results are shown below. The BCR in all these scenarios remains above 1.5, a requirement for a good BCR.

The switching values results are shown in the Economic Technical Note (see Appendix H).

---

## **Upload an Appraisal Summary Table to enable a full range of impacts to be considered**

### Appraisal Summary Table 1

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Upload appraisal summary table

East Lindsey LUF Bid - Appraisal Summary Table (5.4.4) FINAL.docx

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## Additional evidence for economic case

None selected

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### Confirm the total value of your bid

Total value of bid £9053100

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### Confirm the value of the capital grant you are requesting from LUF

Value of capital grant £8091774

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### Confirm the value of match funding secured

£961327

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Evidence of match funding (optional) Appendix L - Match-funding Evidence.pdf

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### Where match funding is still to be secured please set out details below

Spilsby Session House:  
Historic England (secured match 22/23) = £49,156  
National Lottery Heritage Fund (EOI submitted) = £249,000  
Arts Council (future application to be made for fitout) = £51,000  
As yet unidentified source = £50,500  
Total = £399,657

Alford Manor House:  
Alford and District Civic Trust (secured) = £50,000

Alford Windmill:  
Alford Town Council (secured) = £12,000  
Lincolnshire County Council (committed) = £500,000  
Total match = £512,000

Total LUF Scheme  
Total scheme cost = £9,053,100  
Total LUF funding = £8,091,774  
Total Public Sector match-funding = £512,000  
Total Private Sector match-funding = £449,327  
Total match-funding = £961,327

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### Land contribution

If you are intending to make a land contribution (via the use of existing owned land), provide further details below N/A.

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Upload letter from an independent valuer

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## Confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below

### Overview

Providing East Lindsey District Council (ELDC) meets the following conditions, the VAT on the cost of works will be able to be reclaimed by the Council. ELDC must:

- Place orders
- Receive the supply\*
- Pay using their own funds (confirmed that the Council is the ownership of funds)
- Receive a valid VAT invoice (payable to the Council)

\*HMRC generously accepts that a local authority might incur costs on properties that they do not own and take contractual responsibility for the works and will still allow the local authority (under S33 VAT recovery) to be the recipient of the supply, providing the other conditions are met. However, Section 33 VAT recovery will only apply if no recharge of costs is made to the owner of the property i.e. the Council do the works for free using their own funds.

### Delivery

It is assumed that the Property Owner are not making any contributions to the Council, either from their own funds or other funding that they have sourced. However, if the Council made a recharge to the property owner, this recharge is a taxable supply at the standard rate, therefore, ELDC would need to charge VAT on any contributions received from the Property Owner (their own funds or any they have sourced). This is to prevent VAT fraud i.e. the outcome to the Owner would be the same as if they paid for the works direct. Note: ELDC would still be able to recover the VAT on the cost of works, under normal VAT rules, but it would also need to add VAT to any onward recharges.

If VAT is charged to the Property Owner, the VAT may be recoverable, depending on their VAT registration and partly exempt percentage. There is the possibility that the Owner could opt to tax their commercial property, which could mean the VAT is 100% recoverable but any onward charges of a licence to occupy i.e. rents, room hire etc would be subject to VAT. The Owners will need to seek their own financial and VAT advice in relation to this matter.

The only residential element is the conversion of the Millers cottage which has been vacant for more than two years, which may be subject to reduced rate of 5%. Alterations to suit the condition of people with disabilities are likely to be 0%. Installation of energy saving materials 5%. The remainder of costs are assumed to be full VAT.

### Operation

The Sessions House Trust Ltd (charity application pending) – not VAT registered

Alford and District Civic Trust registered Charity – not VAT registered

Alford Windmill Trust (charity application pending) - not VAT registered

It is likely that all operators will register for VAT to operate the buildings which will have increased turnover with business models combining a mix of income generating leases and licences, admission fees and free-of-charge heritage/culture/educational activities. Thus, some restriction in VAT recovery would be required – potentially based on floor-space or visitor numbers or another fair and reasonable criterion. The Trusts should then be able to obtain some VAT recovery provided VAT is charged on the commercial activities. With



this model, the heritage property may have a small shop or some retail or café income, so VAT recovery can still be significant even if there are some free-of-charge non-business activities taking place. Some elements of operations may also be covered by Cultural exception VAT Notice 701/47.

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## **Describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget**

### Capital Costs

The capital project costs have been calculated by producing an elemental budget cost breakdown for each component project. This includes each key element of the building construction, such as ground works, structure, finishes, etc., which have been itemised and included in the detailed Cost Plans for each project (see Appendix G). These costs are identified through a combination of the 'BCIS Building Maintenance Price Book (2022)', 'SPONS Architects' and Builders' Price Book 2022' and professional experience of recent tenders and past projects. This budget cost breakdown also makes allowance for associated consultant costs, build contingency and VAT.

The capital costs for each project have been calculated by the following cost advisors/quantity surveyance consultants:

Spilsby Sessions House – Bristow Consulting has developed a detailed Cost Plan for the scheme, informed by the work of the project architects (Tim Rolands Architects). Costs have been benchmarked based on the significant experience of the advisors in relation to other current schemes. The detailed Cost Plan makes provision for professional fees, marketing costs, developer contingency and finance costs.

Alford Manor House – A detailed Cost Plan for the scheme has been developed, informed by the work of the project architects (Stem Architects Ltd). Key assumptions are set out in the detailed Cost Plan (see Appendix G).

Alford Windmill – A detailed Cost Plan for the scheme has been developed, informed by the work of the project architects (Stem Architects Ltd).

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## **Provide information on margins and contingencies that have been allowed for and the rationale behind them**

### Overview

Detailed Cost Plans (see Appendix G) for the scheme's component project were undertaken experienced quantity surveyors, with experience of consulting on projects of a similar type and scale. Optimism Bias has been excluded from allowances and funding profiles within the Financial Case.

Spilsby Sessions House - As per the detailed Cost Plan produced by Bristow, a contingency sum of 2.5% of the net total project costs has been allowed for.

Alford Manor House - detailed Cost plan produced by Stem Architects Ltd, a contingency allowance of 2.5% of the total project cost has been allowed for.

Alford Windmill - comprehensive Cost Plan produced by Stem Architects Ltd, a contingency allowance of 2.5% of the total project cost has been allowed for.

A contingency sum for each of these projects is included to allow for any unforeseen works during the project, such as site delays due to adverse weather, material/labour shortages, etc. This means of cost contingency is typical practice and included as part of the build contract. This contingency is then typically omitted within the first Architect's Instructions (AI) / Contract Administrator's Instructions (CAI). Later, during the course of works on site, should any additional works be required, these can be costed and be added

into the contract as necessary using AI/CAI.

Risks on the risk register (see Appendix I) that were considered in the determination of the contingency sum include:

- Unexpected maintenance sensitives
- Unexpected ground services
- Capital costs
- Onerous planning conditions
- Lack of detailed survey information
- Unknown deleterious materials, including asbestos
- Site characteristics
- Change in economic condition

Upon identification of these risks, mitigating actions are being conducted to minimise any additional costs they could pose to the projects within this package. Following mitigating actions most of the risks are reduced an overall low threat level. As of such, 2.5% is concluded to be an efficient allocation of resources given the level of remaining risk to the projects.

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## **Describe the main financial risks and how they will be mitigated**

### **Risks – East Lindsey**

A risk register (see Appendix I) has been prepared for the East Lindsey LUF bid projects. The financial risks include:

Public sector funding risk – delivery will be contingent upon securing LUF in accordance with the financial models and funding profile set out in this funding application. The mitigation response has been to ensure a robust application is submitted alongside a detailed business case. As part of this process, various project options have been assessed, including a reduction in scale, giving project feasibility without the LUF funding.

Market risk – there is a risk of not having a sufficient understanding of the demand for cultural, community and heritage facilities, and services in the East Lindsey area. The success of the project is contingent upon this demand. Demand could be affected by unforeseen changes in economic and external conditions, including the uncertainty generated by the war in Ukraine, slowing economic growth and rising inflation. However, East Lindsey District Council and the delivery partners have a good knowledge of local market trends and have commissioned independent expert advice. The council will continue to actively monitor the level and nature of demand. Moreover, the delivery of the project and the subsequent economic benefits will occur over several years, which is likely to include various economic cycles. the registers, a key one of these risks is “Overestimated Demand” for Spilsby Sessions House.

Cost risks – there is a risk that the costs of delivering the interventions are greater than those identified. However, a cost estimate has been prepared, including an allowance for contingencies and risk. Furthermore, costs will be continually refined and monitored as the projects develop to manage these risks. Well-established arrangements are in place to ensure cost control. A strong governance framework and effective systems are already established to support cost management on an ongoing basis. Cost overruns in relation to the scheme will be the responsibility of the East Lindsey District Council. On the register, a key one of these risks is “Capital Costs” .

Income/value risks – there is a risk that any or all of Spilsby Sessions House, Alford Manor House, and Alford Windmill will not be able to generate enough income to be financially sustainable in the long run, resulting in the council

being left with expensive liabilities. Poor income generation could be the result of various factors including, but not exclusively, an inappropriate pricing strategy, bad management, or lack of long-term community support. To mitigate this risk, responsibility for the financial management of the three facilities has been placed on each of their independent charity operators, with the onus on them to handle any shortfall, passing the risk onto them. On the register, one of these risks presents for all three venues includes “pricing”.

Financial stability of contractors - there is a risk that the contractors for the key project components do not have access to sufficient funds to meet cash flow requirements or have financial difficulties. However, the Council has well-established and robust arrangements to undertake due diligence prior to appointment and will continually monitor and manage performance. To mitigate this East Lindsey District Council will apply rigorous vetting procedures as part of the due diligence and legal agreement process. The process will recognise the wider market risk within the construction sector.

Legal risks – the risk of legislative and regulatory issues arising could result in delays to the scheme or its scope, which would affect costs or might extend delivery beyond the funding period. Further, there is risk that interventions do not comply with State Subsidy regulations. The District Council has considered the proposed scheme and believes it is compliant and that there are unlikely to be significant legislative changes that would affect the proposal. These risks are present on the register in the form as risks such as “legislative”.

Risk of clawback of external funding – to avoid LUF being taken back, there will be a regular review of any potential slippage in the delivery of contractual expenditure, outputs and outcomes as tracked by the Council’s internal monitoring systems.

The cost estimates are prepared on appropriately prudent benchmarks and make provision for contingency. Allowances for inflation are clearly set out.

Any cost overruns associated with the identified programme of capital works will be met by East Lindsey District Council. Based on an assessment of optimism bias, the potential unallocated risk premium has been calculated and there is sufficient flexibility within the Council’s capital budget to cover this overrun.

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**Upload risk register**

Appendix I - Risk Register.xlsx

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## **If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below**

East Lindsey District Council as the Lead Applicant

Subject to approval, East Lindsey District Council as the lead applicant will directly manage the programme of works, via direct appointments, for each project. This enables the projects to be formally contracted and delivered in line with the Council’s adopted constitution and all contract and procedure rules to ensure effective governance and authorisation of public funds. The Council already has established procedures for managing the implementation of the Towns Fund Investment Plans via the Connected Coast structures – including the appointment of relevant Board arrangements to ensure wider stakeholder support/compliance and appropriate internal audit and governance arrangements in acting as the accountable body on behalf of DLUHC administered funding. The Council has the ability to defray eligible expenditure against agreed costs on behalf of the projects, prior to claiming back through the Levelling Up process.

The Council will use existing structures and template agreements established with HM Government under the Towns Fund process as a template for managing the Levelling Up contract and associated funding awards. In addition, the Council has achieved a high level of assurance in the local management delivery of Covid-19 support grants to local businesses and communities.

A project team of lead Council officers and project representatives will meet weekly to monitor progress on delivery and risks. Project Boards will meet every six weeks to ensure milestones are on track or agree any mitigation measures required to resolve any delays. Progress will be formally reported to the Council's Executive Board and Full Council on a quarterly basis. The Council will also provide additional assurance and scrutiny of project management arrangements via the Audit and Scrutiny Committee.

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## **What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?**

East Lindsey LUF Governance

The governance structure for interactions between the council and those involved in the bid:

The Levelling-Up scheme has also been assigned to the Lydia Rusling - Assistant Director (Lead Responsible Officer for LUF Implementation) who in acting as Project Sponsor will champion the project from submission of the Levelling Up bid through to project completion, also acting as the client sponsor for the scheme. The main role of the Assistant Director lead in this context is to provide robust oversight and assurance on the following areas across all stages of the concept design, delivery, and project closure. Their primary areas of accountability will be focused in 6 key areas: budget, governance, stakeholder engagement; strategic leadership, project champion, and decision maker.

The Assistant Director Strategic Growth and Development will be project sponsor and be accountable for taking the project through different transition stages of the project but will work in close collaboration with other directorates for Strategic Projects, Strategic Growth and Development who will be accountable for providing associated delivery strategies, and the appropriate technical and project management team.

Governance arrangements for the Levelling-Up Fund project will follow the Council's established policy procedures for use of public funds, as outlined in detail within the Council's constitution. This will ensure robust compliance with all relevant guidance and legislation, including the Council's adopted financial and contract procedures and audit, governance, scrutiny and overview structures. Delivery progress will continue to be reported to the Council's Corporate Management and Senior Leadership Team via the Council's established monthly key performance indicators and project management systems.

The Council will be the accountable body for all funding received. In addition, as this is a council project, there is a necessity for regular involvement of members via the Cabinet and Full Council. The structure of internal council meetings responsible for monitoring strategic project delivery is set out below.

A Project Execution Plan (PEP) will be prepared by the main contractor in consultation with the client and the Project team for all of the remaining commissioned RIBA Stages. The PEP will define all procedural matters relating to the design, procurement and construction of the project and describe the general procedures to be adopted by the client and the team for the project. It will be regularly updated by each relevant team members at key stages in the project. In addition to the detailed construction programme and cost plan, the PEP will also include:

Site logistics plan - to cover the sequencing, movement, and management of all construction resources – including plant, staff and materials.

Risk and opportunity register – with a probability of and impact estimate for each item.

Early warning / change control protocol - to provide clients with early notice of any potential issues. This provides a proactive opportunity to mitigate or eliminate issues that may arise before they cause time or cost implications.

Project quality plan – to highlight all stages throughout the project for each trade or item of work where inspections of that work are required. The plan will be tailored to suit specific project requirements and will link in with the specification and other works information.

Social value action plan - to set targets on the scheme to assist in delivering an overall 20% added social value.

The main contractor will allocate a contracts manager to the project who will manage the construction project throughout its whole duration.

The principal designer role will be carried out by the main contractor on a Design and Build basis.

The site manager will be appointed by the main contractor to the scheme at a point closer to the proposed start date. The site manager will have day to day responsibility for inspecting the works to ensure a high level of quality is maintained throughout the project. They will inform the client team of when there are appropriate points throughout the project for their inspection.

The Council will allocate a project manager to the project who will manage the client-side input and requirements throughout its whole duration. Under the NEC4 contract the project manager is the only person who has the responsibility for issuing instructions to the contractor.

Authorisation of payments will be in accordance with the Council's constitution, including the financial procedure rules contained within the Council's constitution. This requires all payments in excess of £100,000 to be authorised by the chief executive, the assistant director responsible for the project budget and the council's Section 151 officer. All invoices will be accompanied by an approved certificate of works for the invoice period which will be verified by the Council's project manager. All of the council's finances shall be regulated, coordinated and controlled by cabinet board of the Council, subject to ratification by the Council where appropriate. Information management will follow the adopted Council policies.

The Economic Growth Directorate and Communities Directorate will monitor outputs and outcomes in accordance with the programme monitoring and evaluation plan. The Council's Economic Growth Directorate will also maintain benefits register of other outputs and outcomes realised through the investment.

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## **Summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted**

### Introduction

The Delivery Plan for the scheme (see Appendix J) includes full details of the proposed commercial structure, risk allocation and procurement strategy for each of the scheme's component projects.

### Framework Agreement

East Lindsey District Council's constitution includes a provision under the Contract and Procurement Procedure Rules that the preferred mechanism for the Council's appointment of new contracts will be by way of either an existing corporate contract, or via a framework agreement. Where a suitable Corporate Contract or Framework Agreement exists, these must be used unless there is a good reason not to, and these reasons must be recorded.

In line with this procedure, all Levelling Up works will be commissioned under a Construction Industry Framework which is OJEU compliant and covers works from up to £10 million.

The Council has established a good working relationship with local framework contract managers via the Towns Fund process having already appointed a number of Pre-Construction Services Agreements under both the Pagabo, Scape (Perfect Circle), and UK Leisure Services frameworks. Early engagement will be undertaken with the contract managers to determine existing capacity from current framework suppliers to appoint and lead a design and construction team for the relevant works. The appointed design teams will require specialist skills in working on heritage and cultural assets. It is anticipated that the project appointments will be progressed via a direct award rather than a local competition.

Where appropriate and available, existing QS/architect leads who have provided early design stage development will be retained as part of the appointed project teams to ensure continuity of design expertise.

#### Carbon Neutral

In line with Government targets, it is recognised that at the very least any new buildings (especially those funded from the public purse) should aim to be Carbon Neutral, this means that they need to achieve a balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere. Net Zero is also a term that frequently used and means achieving a balance between the amount of greenhouse gas emissions produced after delivery of an ambitious reduction of embodied carbon and the amount removed from the atmosphere by reducing existing emissions (the focus of Net Zero is Reduction AND Removal); actively removing greenhouse gasses and offset credits (both of which are difficult to robustly measure). These measures will be fully considered during the design phase to ensure appropriate use of technologies, systems and materials to reduce ongoing emissions and whole life costings, linked to increased energy efficiency.

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### **Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature?**

#### Procurement Strategy

Within the Delivery Plan (see Appendix J), the Council detail the leads on the procurement and contract management of this bid and the expertise/skills they have in managing procurement and contracts of this nature. As detailed in the governance structure, the lead for procurement and contractor management will be Lydia Rusling - Assistant Director (Lead Responsible Officer for LUF Implementation), the former Chief Executive of Visit Lincoln and in her current role managed the successful development and submission of three Investment Plans to MHCLG on behalf of East Lindsey District Council.

Jon Burgess - Economic Development Manager, is highly experienced in delivering economic development projects in East Lindsey and managing externally funded programmes under available Government funds and previous European Structural Funds Assistance.

Other key people in the Council, who will be members of the East Lindsey Levelling Up Fund delivery team include:

Neil Cucksey - Strategic Capital Project Development will lead on project delivery.

Emilie Wales - Historic Environment Officer will lead on all matters in relation to historic and listed buildings.

Samantha Phillips - Economic Development Officer.

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### **Are you intending to outsource or sub-contract any other work on this bid to third parties?**



## Lincolnshire Wolds Culture and Heritage Programme

The Council recognise that a broad range of skills and expertise is required to deliver the project and have appointed a design team for Lincolnshire Wolds Culture and Heritage Programme creating a working, living history experience and are highly experienced, passionate, and talented and collectively provide the multidisciplinary expertise required to deliver a project of this special nature.

The design team will be managed by the Council's in-house resource for the pre- construction, design, construction, project management, and cost management. In response to question 6.2.1 we set out our proposed procurement route, which is through a construction industry Procurement Framework, which is open to all Public Sector bodies.

Set out below are the key performance indicators that will be used to monitor, measure, and manage the performance of the Principal Contractor in delivery:

Performance Management - Performance measures:

P1 Time predictability – pre-construction

P2 Time predictability - construction

P3 Cost predictability - preconstruction

P4 Cost predictability - construction

P5 Local labour

P6 Local spend

P7 SME engagement

P8 SME spend

P9 Social enterprise engagement

P10 Waste diverted from landfill

P11 Fair payment

P12 Health & safety – Riddor accidents

P13 Environmental incidents

P14 Considerate constructor

P15 Client satisfaction – service

P16 Client satisfaction - product

P17 Client satisfaction - value for money

P18 Client satisfaction – collaboration

P19 Client satisfaction – defects

P20 Supply chain satisfaction

P21 Achievement of project commitments

P22 Achievement of framework commitments

P23 Achievement of client's social value targets

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## How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes

### Pagabo Medium Works Framework

Whether it is a Direct Award (DA) or Further Competition (FC), via a single or two stage process as per Figure 25: below, the Pagabo Medium Works Framework make appointing a supplier easier and more effective. Throughout the process, the Pagabo help to co-ordinate the appointments on behalf of the Council, liaising and co-ordinating the contracting authority and the tendering contractors. As part of its flexible approach, the Council can now award the form of contract through NEC3, NEC4 or JCT. This applies for all of Pagabo's construction frameworks.

In line with this procedure, the Programme or works is likely to be commissioned under the Pagabo Medium Works Framework, which is OJEU compliant and covers works from £250K to £10million. The framework provides value and competition, it includes 46 regional and national contractors, split across 3 project value bands. And there's complete flexibility in how the council award its contract - either Direct Award or through a Further Competition with a selected few. Throughout the process, Pagabo will co-ordinate the appointment of the supplier, liaising with the contracting authority and the principal contractor. As part of its flexible approach, the council can award its form of contract through NEC3, NEC4 or JCT.

Further details concerning engagement with key suppliers and management of contracts is included with the Delivery Plan for the scheme (see Appendix J).

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## Set out how you plan to deliver the bid

### Delivery Plan

The full Delivery Plan for the proposed scheme is available at Appendix J.

### Key Milestones / Programme

Key milestones for each of the component projects are outlined in the Delivery Plan (see Appendix J). More detailed construction programmes will be prepared in due course, as construction contracts are let. The overall delivery timescales are not, however, anticipated to change and have been determined by the Council reflect the proposed scope of works and experience from previous project delivery.

### Description of Roles and Responsibilities

The Principal Contractor will allocate a Contracts Manager to the project who will manage the construction project throughout its whole duration. The Principal Designer role will be carried out by the Principal Contractor on a Design and Build basis.

The Site Manager will be appointed by the Principal Contractor to the scheme at a point closer to the proposed start date. The site manager will have day to day responsibility for ensuring the inspecting the works to ensure a high level of quality is maintained throughout the project. They will inform the client team of when there are appropriate points throughout the project for their inspection.

The Council will allocate a Project Manager to the project who will manage the client-side input and requirements throughout its whole duration. Under the NEC4 contract the Project Manager is the only person who has the responsibility for issuing instructions to the contractor. The design team will be managed by the Council's in-house resource for the pre-construction, design, construction, project management, and cost management.

### Arrangements for Managing Delivery Partners

The approach to managing delivery partners on this scheme will offer an open,



transparent and collaborative manner to deliver the project outcomes and continuously improve throughout the duration of the project.

The Delivery Team will report project performance on a monthly basis, providing a monthly performance report provides an update on programme, cost, and risk through a formal Board Report for each project, which then enables agile decision making on any issues identified. Any change/actions agreed are then formalised through the normal change process between the Council and the Delivery Team.

The proposed form of NEC Building Contract stipulates payment terms and conditions to be adhered to and, requires a defined cashflow forecast for expenditure during the life of the project for completed activity. This also includes an agreed programme. At the point of contract these two key documents will be used to baseline the cash flow and programme forward forecast, and in turn will be used by the Council to meet any reporting requirements set out by the Government Department/Agent managing the grant allocation.

A Project Director will be appointed by the Council to provide leadership and strategic support to the delivery team, and a Project Manager, to deliver the day-to-day contact requirements on a full-time basis, both holding senior positions within the Council and having the authority to deliver on the Council's commitments.

#### Strategy and Communication Approach

A Communications and Engagement Strategy (C&ES) is in place for the project, and this strategy has been used to develop the project to its present stage with partners, including preparation of the LUF bid and work to develop the project to concept design stage. To date the existing C&ES has been fundamental in helping to bring together partners in a structured and coherent way, in addition to engaging the public in the proposals that form the LUF application.

As the project moves forward the council will continue to develop and review the C&ES and its underlying principles, so to manage communication and engagement with the community through the design and construction (D&C) of the LUF-funded project.

The C&ES will be developed further to address the technical delivery requirements of the project, including any requirements of the Planning Conditions of Approval, the Environmental Impact Statement (EIS), environmental management measures (EMM) and any submissions made along with the Preferred Infrastructure Report (SPIR) and all applicable guidance and legislation.

#### Confirmation of Powers of Consent

Given the technical nature of the proposals and the potential impacts on the surrounding area, full planning permission and listed building consent will be sought from the Council, and Historic England will be a statutory consultee. Historic England inherited English Heritage's position as the UK government's statutory adviser and a statutory consultee on all aspects of the historic environment and its heritage assets. This includes archaeology on land and underwater, historic buildings sites and areas, designated landscapes and the historic elements of the wider landscape. It monitors and reports on the state of England's heritage and publishes the annual Heritage at Risk survey which is one of the UK government's official statistics. It is tasked to secure the preservation and enhancement of the man-made heritage of England for the benefit of future generations.

The three trusts and Lincolnshire County Council own the sites, have given consent and are supporting the delivery of the bid. Legal agreements will be put in place to deliver the projects.

#### Approach to Monitoring

A dedicated Project Director and Project Manager will oversee the project in every detail on a full-time basis. They will ensure that the Council is kept

informed, in a timely and accurate manner, how is the project progressing, where they are currently in comparison to the baseline programme, whether deadlines are met, and budgets are safely measured and followed.

It will be the responsibility of the Principal Contractor, to provide regular progress updates in line with the building contract requirements issued on a monthly basis. These reports will discuss the current project progress with planned schedule of work in terms of time and budget to forecast the project finish date.

Financial management of the project will be undertaken by a consultant appointed to the role of Quantity Surveyor for the commercial management of the entire project, and it will be a contract requirement that the post holder is a RICS Chartered Quantity Surveyor.

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## **Demonstrate that some bid activity can be delivered in 2022-23**

### *2022/23 Activity*

The cashflowed build programme forecasts for each project prepared by the respective Quantity Surveyors (all updated June 2022) evidence a projected £540,252 of capital expenditure can be delivered in 2022-23. These works will focus on commissioning the necessary site surveys and professional fees to progress the detailed and technical design elements of the respective projects to completion. They also include an allocation of project management fees to scope, commission, contract and monitor the various design team specialists who will be appointed to undertake the associated design works. They also include a small element of application fees to cover the necessary planning and building control applications which will all be progressed in the current financial year, subject to formal award and contracting of the LUF request.

This expenditure profile is based on an October start date to appoint the respective design team on the subject to LUF awards being formally awarded.

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## **Risk Management: Set out your detailed risk assessment**

### *Risk Management*

All risks for the scheme will be recorded in the Risk Register (see Appendix I). Each project will also have its own specific risk register assigned to and maintained by the main project sponsor (lead officer).

A Council committee will be the senior management body and risk owner for the Project, providing oversight of an Officers Working Groups to ensure that it fulfils the expectations of key stakeholders, funders and intended beneficiaries. It will ensure that overall management and direction of the Project proceeds as planned, approve all major plans and any major deviations from the agreed plans where tolerances are likely to be exceeded, receive regular reports, provide strategic guidance, scrutiny and instruction and will manage on a 'by exception' basis with limited direct operational involvement in the Project.

Risk Registers and Issues Logs will be maintained as part of core project management documentation. These will highlight both factors present at project inception and new factors arising that have the potential to impact the Projects' ability to achieve its objective and outcomes. Risks will be allocated, as appropriate, to members of the Officers Working Group to own and an updated Risk Register will be presented at every committee meeting.

### *Risk Activities*

Relevant and applicable risk management activities to be utilised in the delivery of the individual projects as follows:

- Risk reviews – undertaken to identify the strategic, operational, project and

fraud risks to the Council delivering its objectives.

- Corporate decision making – significant opportunities and risks, which are associated with policy or action to be taken when making key decisions, are included in appropriate committee reports.

- Business/budget planning – this annual process includes updating the individual operational risk registers to reflect current risks to delivery of objectives.

- Project management – all projects should formally consider the risks to delivering the project outcomes before and throughout the project. This includes risks that could have an effect on service delivery, benefits realisation and engagement with key stakeholders (service users, third parties, partners etc.).

- Partnership working – partnerships should establish procedures to record and monitor risks and opportunities that may impact the Council and/or the partnership's aims and objectives.

- Procurement and contract management – risks and actions associated with suppliers need to be identified and assessed, kept under review and amended as necessary during the procurement and contract management process.

- Insurance – the Council's Insurance Team manages insurable risks and self-insurance arrangements.

- Health and safety – the Council has specific risk assessment policies to be followed in relation to health and safety risks.

- Reputation – the Council's communications team maintains a reputation radar to support the Council's approach to managing its reputation.

#### Risk Transfer and Ownership

Appropriate arrangements will be implemented to ensure that risks are held by delivery bodies through clearly articulated risk transfer arrangements. In each instance, risks will be assigned to the organisation best able to manage them. As part of project management, all risks will also be assigned an owner to ensure transparency in risk management responsibilities. Clear reporting routes will ensure the project leader is alerted to any changes in risk profile, for example if the likelihood of a risk arising is considered to have increased or wider implications of potential risks are identified.

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## **Provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature**

#### Council Team

The design team and are supported by a highly experienced team within the Council. A dedicated project team for will include representatives from the Council's Strategic Capital Project Development Team, Historic Environment and Economic Development who will support delivery of the project.

#### Strategic Capital Development Team

Lydia Rusling - Assistant Director (Lead Responsible Officer for LUF Implementation)

Lydia has vast knowledge and experience of supporting the visitor economy in Lincolnshire and beyond in partnership with local businesses and lead sector representatives. Lydia is the former Chief Executive of Visit Lincoln and in her current role managed the successful development and submission of three Investment Plans to MHCLG on behalf of East Lindsey District Council, Boston Borough Council and all partners under the Connected Coast and Boston Town Deal Board structures.

Neil Cucksey - Strategic Capital Project Development

Neil is a qualified architect with over 30 years' experience of delivering capital growth schemes across Lincolnshire. Neil is responsible for leading on the Councils' major capital projects, including negotiation with landowners on strategic acquisitions and associated development agreements.

Emilie Wales - Historic Environment Officer

Emilie has previously supported the development and implementation of large-scale investment plans in North East Lincolnshire including the Governments' first pilot Town Deal in Grimsby and Heritage Action Zone.

Jon Burgess - Economic Development Manager

Jon has over 20 years' experience of delivering economic development projects in East Lindsey and managing externally funded programmes under available Government funds and previous European Structural Funds Assistance. Jon has also previously worked on a two-year secondment to the Greater Lincolnshire Local Enterprise Partnership which included refreshing the LEP's Strategic Economic Plan and managing local infrastructure investment funds.

Samantha Phillips - Economic Development Officer

Samantha has managed the delivery of the Council's Vital and Viable programme across four inland market towns, in partnership with local communities and bespoke consultation events facilitated by Simon Quin (Co-chair at Institute of Place Management and High Streets Task Force Executive Director). Samantha had previously managed heritage projects across Lincolnshire and supported the Louth Town Partnership.

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## **Set out what governance procedures will be put in place to manage the grant and project**

Council's Established Procedures

Governance arrangements for the Levelling-Up Fund project will follow the Council's established policy procedures for use of public funds, as outlined in detail within the Council's constitution. This will ensure robust compliance with all relevant guidance and legislation, including the Council's adopted financial and contract procedures and audit, governance, scrutiny and overview structures. Delivery progress will continue to be reported to the Council's Corporate Management and Senior Leadership Team via the Council's established monthly key performance indicators and project management systems. The Council will be the accountable body for all funding received. In addition, as this is a council project, there is a necessity for regular involvement of members via the Cabinet and Full Council.

Further details regarding governance for the proposed scheme are available within the Delivery Plan (see Appendix J).

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## **If applicable, explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised**

Overview

Business Plans (see Appendix K) have been developed for each project and in each case there is a focus on: providing facilities which will be used by both visitors and local communities; providing a year round income model; diversifying income streams to reduce financial risk; developing opportunities to secure future income from a mix of both earned income and through grants;

providing appealing opportunities for volunteers to reduce operating costs; and improving the environmental efficiencies of buildings to reduce energy consumption and maintenance costs.

#### Spilsby Sessions House:

The Cultural Mission Statement for Spilsby Sessions House (SSH) is “Restoring a Lincolnshire landmark of local and national significance to bring people together in a celebration of arts, heritage and community”. The focus of the Audience Engagement Plan is to increase arts and heritage engagement with families, young people and the harder-to-reach in the local area. The dominant need is to increase engagement and access for families from less privileged backgrounds and more elderly isolated individuals.

The Spilsby Sessions House cultural organisation already produces and delivers outdoor arts and events and generates an income of £140,000 annually. After costs, it delivers a small operating surplus.

A Business Plan has been developed for the operation of the asset following LUF investment. A small deficit is anticipated in the Year 1 (- £7,000), increasing to a £34,000 surplus in Year 2. In Year 3 of operation, when business is stabilised, SSH charity will have a turnover of £325,000 annually with operating costs of £281,000, providing an annual surplus of £71,000. This is made up as follows:

Operating income: ticketed events £40,000; cinema ticket sales £29,000; outdoor events £140,000 (based on current income); event and community hires £34,000; café £3,000; bars £23,000; workspace rents £6,000.

Operating costs: staff costs £80,000 (supported by volunteers); activity and production costs £159,000; premises and other operational costs £42,000.

#### Alford Manor House:

Alford Manor House is a registered charity, staffed by volunteers and managed by Alford and District Civic Trust Ltd. The Manor House itself, the Museum of Rural Life in the grounds and the walled gardens are key visitor attractions; the property is central to the local arts and crafts industry, as it hosts live theatre, music and food market festivals, cultural and educational activities and displays of all kinds.

Alford Manor House is sustained by income from four primary sources: visitor income from admissions and donations; income from private hire for weddings and gatherings; and trading activity derived from the shop and tea room. A quinquennial review has provided a schedule and timetable for continuous expenditure requirements on the building fabric of the Manor House, and this is reflected in the charitable company's Business Plan.

In the current year, an annual income of £104,000 is anticipated with costs at £101,000 (surplus £3,000). The project will increase income to £213,000 and costs to £208,000 (surplus £5,000). The following income increases will be achieved:

House admissions - increase from £4,500 to £15,000 (new exhibition spaces);

Functions income – increase from £17,800 to £40,000 (double the number of events plus higher tariff);

Tea room income - increase from £60,700 to £120,000 (longer opening, increased prices, extra functions); and

Other increases including additional shop sales and increased donations from additional footfall.

#### Alford Windmill:

The Alford Windmill Trust has been established to take over the operation and maintenance of Alford Windmill and its outbuildings from Alford Town Council, which itself has taken ownership of the site from Lincolnshire County Council. The Alford Windmill scheme has been developed to include a diverse and

sustainable range of income streams which will support operational costs. Income derives from visitor related activity (holiday cottage rental and heritage visitors to the Windmill), and community activity (café and milling activity including shop and flour sales).

Prior to the Windmill's closing, the asset operating on a sustainable business revenue. Income in a stabilised year is estimated to be £227,000 with costs of £226,000, providing a small annual surplus. This is comprised of:

Operating income: £31,000 holiday cottage rental income; £90,000 café income; £45,000 Windmill income; £60,000 admissions and donations; £1,000 other income.

Operating costs: £110,000 staff costs; £32,000 milling costs; £25,000 café costs; £59,000 premises and other operational costs.

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**Upload further information  
(optional)**

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## **Set out proportionate plans for monitoring and evaluation**

### Introduction

In developing a robust approach to monitoring and evaluation, full regard will continue to be given to the guidance outlined in Annex E of the Technical Note and supplementary information. As an applicant, East Lindsey Council will be responsible for collecting data for monitoring purposes, with DLUHC leading on the programme level evaluation.

### Aims

Benefits management, monitoring and evaluation will be carried out by the Council and delivery partners to understand the success of interventions, whether they are achieving desired outcomes, how and why this is the case, and to enable change or management strategies to be deployed. The key research questions which will inform the M&E approach will include:

Whether the intervention in the implementation phase is proceeding in accordance with the delivery plan – this will ensure oversight of the delivery process.

Whether the rationale for intervention continued to apply during the implementation phase – this will confirm that the case for change and key assumptions remain valid.

Whether assumptions underpinning the Theory of Change and leading to benefits held in practice – this will inform future decision making in relation to prioritisation and configuration of intervention.

The extent to which outputs and outcomes can be attributed to LUF interventions – this will confirm the additionality of the intervention; and

The impact of the LUF programme and whether it provides value for money.

Monitoring outputs will include monthly dashboard reports to the Project Board during the implementation phase, moving quarterly reports during the establishment phase. At the project level, the Council will carry out the process, impact, and value for money evaluation.

### Outline of Bid-level M&E Approach

M&E will be undertaken in line with guidance issued by DLUHC. The approach will ensure that all those involved in delivering the LUF-funded projects will have a clear understanding of the benefits to be achieved and the mechanisms through which these benefits will arise. The approach details the expected timeline over which benefits will arise identifies how these benefits will contribute towards the achievement of the LUF objectives and includes a

process for reviewing and updating benefits realisation plans if proposed interventions change. Key stages include:

Gateway reviews for key decisions in line with milestones, outputs and outcomes.

Agreement of key research questions.

Profiling and monitoring benefits - a clear profile of benefits is outlined for each project, including baseline position, financial spend targets, target delivery schedule, key milestones and target output forecasts. Specific KPIs are identified to ensure targets are achieved within set delivery schedules. A benefit plan is further developed to include a description of the realised benefits, the quantifiable, financial gain of the benefit, the metrics used to measure the scale of the benefit, the main beneficiaries of the project and the duration.

Realising benefits – identified project staff will track the progress of benefits realisation, ensuring benefits remain relevant, deliverable and valid. Benefits will be agreed as being realised when the expected measurement of change has been achieved. It will be the responsibility of the project manager to ensure that the targets are achieved as planned.

Monitoring and review - The approach will be proportionate to the resource invested in each intervention, making efficient use of existing capacity, data and expertise. This will inform decisions about the shape of the project and highlight areas where additional resource/capacity is required, enabling remedial action to be taken if interventions are not delivering the desired outputs. Data collected will feed into the evaluation.

Evaluation – the evaluation will consider how the programme has worked from a delivery perspective and through the experience of stakeholders. Where appropriate, the Council will participate in the programme level evaluation.

#### Overview of Key Metrics

Table E in the workbook sets out performance indicators that have been identified to track the progress of the LUF programme. It includes sources for monitoring each objective, the frequency of collection and responsibility for this. The metrics have been identified in accordance with the Theory of Change for the project, and will include:

#### Outputs:

Cultural spaces created – sqm created, sqm improved, usage by community and artists.

Heritage buildings renovated – Number of visitors per year, commercial revenue generated.

Volunteering Opportunities Supported – volunteering positions created by the project

Community Centre space created – inside Spilsby Sessions House

Hospitality space created - new bar and café created in

(Indirect outputs include repurposing heritage buildings to best environmental practices and reducing the need for newbuild to improve cultural offerings within Lincolnshire Wolds.)

#### Outcomes:

Change in the number of visitors to cultural venues

Change in the number of cultural events

Change in the audience numbers for cultural events

Change in consumer spending at cultural venues.



Change in employment rate

Change in perceptions of place (business, residents and visitors)

Indirect outcomes include the development of Lincolnshire Wolds into a tourist destination, attracting visitor spending and private investment to the area.

The following indicators will also be monitored during the implementation phase:

Project spend (total, co-funding, co-funding committed)

Project delivery (project streams started on time, completed, completed on budget, completed on time)

Delivery capacity (staff and budget invested)

Social Value outcomes in accordance with the Willmott Dixon proposal (jobs created and safeguarded)

Resourcing and Governance Arrangements

Funding has been allocated for the following M&E activities:

Time to gather, verify and report the required monitoring information to DLUHC

Purchase of data/commissioning of surveys and data gathering by market research or other specialist companies (e.g. on vacancies, rental levels etc)

Independent set-piece evaluation studies at interim and impact evaluation stages, ensuring an objective and robust assessment of progress and enabling all stakeholders to provide their views.

Day-to-day responsibility for monitoring and performance management will be allocated amongst the project management team, with the team also having responsibility for reporting on finance, spending and wider outcomes achieved to the project board. Appointed individuals within East Lindsey Council will have overall responsibility for oversight and reporting on performance to DLUHC. Appropriate CRM systems will be established prior to project implementation. Gateway reviews within the project governance structure will be used to ensure the project remains on time and on budget.

Regular feedback will be given to partners and stakeholders on the progress and performance of the project. This may include focus groups or meetings to discuss any issues identified during the monitoring of the project and arising from the interim and impact evaluations.

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## Senior Responsible Owner Declaration

**Upload pro forma 7 - Senior Responsible Owner Declaration**

East Lindsey LUF Round 2 Proforma 7 - CX.pdf

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## Chief Finance Officer Declaration

**Upload pro forma 8 - Chief Finance Officer Declaration**

East Lindsey LUF Round 2 Proforma 8 - S151.pdf

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## Publishing

URL of website where this bid will be published <https://www.e-lindsey.gov.uk/>

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## Additional attachments

### Additional file attachment 1

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Upload attachment Appendix A - Equality Impact Assessment.docx

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### Additional file attachment 2

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Upload attachment Appendix B - Subsidy Control Advice.pdf

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### Additional file attachment 3

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Upload attachment Appendix C - Letters of Support.pdf

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### Additional file attachment 4

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Upload attachment Appendix D - Spilsby Sessions House Viability Study.pdf

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### Additional file attachment 5

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Upload attachment Appendix E1 - Detailed Design Plans (Alford Manor House).pdf

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### Additional file attachment 6

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Upload attachment Appendix E2 - Detailed Design Plans (Alford Windmill).pdf

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### Additional file attachment 7

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Upload attachment Appendix E3 - Detailed Design Plans (Spilsby Sessions House).pdf

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### Additional file attachment 8

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Upload attachment Appendix F - Theory of Change.pdf

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### Additional file attachment 9

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Upload attachment Appendix I - Risk Register.xlsx

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### Additional file attachment 10

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Upload attachment Appendix J - Delivery Plan.pdf

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### Additional file attachment 11

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Upload attachment Appendix K1a - Business Plan (Alford Windmill).docx

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### Additional file attachment 12

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Upload attachment Appendix K1b - Business Plan (Alford Windmill).docx

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### Additional file attachment 13

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Upload attachment Appendix L - Match-funding Evidence (1).pdf

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**Additional file attachment 14**

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| <b>Upload attachment</b> | Appendix L - Match-funding Evidence (1).pdf |
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**Additional file attachment 15**

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| <b>Upload attachment</b> | Appendix M - Historic England Pre-application Advice.doc |
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**Additional file attachment 16**

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| <b>Upload attachment</b> | Appendix N - Alford Windmill Options Appraisal.docx |
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**Additional file attachment 17**

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| <b>Upload attachment</b> | Appendix O - Culture Strategy.docx |
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**Additional file attachment 18**

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| <b>Upload attachment</b> | Appendix P - Heritage At-Risk Ratings.pdf |
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**Additional file attachment 19**

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| <b>Upload attachment</b> | Appendix Q - Huq Report.pdf |
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**Additional file attachment 20**

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| <b>Upload attachment</b> | Appendices List - Lincolnshire Wolds Culture and Heritage Programme LUF Application.docx |
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**Additional file attachment 21**

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|                          |  |
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| <b>Upload attachment</b> | Appendix G1 - Detailed Cost Plan (Alford Windmill).pdf |
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**Additional file attachment 22**

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| <b>Upload attachment</b> | Appendix G2 - Detailed Cost Plan (Spilsby Sessions House).pdf |
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**Additional file attachment 23**

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| <b>Upload attachment</b> | Appendix G3 - Detailed Cost Plan (Alford Manor House).pdf |
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**Additional file attachment 24**

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| <b>Upload attachment</b> | Appendix K2 - Business Plan (Spilsby Sessions House).pdf |
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**Additional file attachment 25**

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| <b>Upload attachment</b> | Appendix H - Economic Technical Note (1).docx |
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**Project 1 Name**

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Spilsby Sessions House

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**Provide a short description of this project**

Spilsby Sessions House, a Grade II listed former courthouse, will be transformed into a vibrant cultural centre and creative hub.

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## Provide a more detailed overview of the project

### Spilsby Sessions House

Sessions House, a Grade II listed building in Spilsby, will be developed into a creative and cultural hub. It will be managed by Spilsby Sessions House Trust Ltd, an independent arts development charity (awaiting registration). The project will create a range of spaces which will be used for the delivery of cultural and educational activities, including:

- Restoration of the building to create new flexible performance and multipurpose cultural space.
  - Restoration of 'the Barn' as a new community and education space.
  - Creation of a new function room, generating income and providing capacity for community events.
  - Creation of a new bar, café and gallery to serve audiences, visitors and the local community.
  - New visitor toilets and offices for the operational team.
  - Creation of four new workspaces for local cultural organisations.
- 

## Provide a short description of the area where the investment will take place for this project

### Local Cluster of Heritage Assets

The LUF package of projects represents a significant investment in the local culture, heritage and visitor economy. Alford and Spilsby are near each other (15-minute drive), therefore the LUF investment would work to develop a local cluster of high-quality heritage and culture assets that would benefit the economy through increasing the number of visits by tourists. The redeveloped assets will help to develop a strong local community.

The local authority led regeneration of key cultural and heritage sites in Spilsby and Alford will contribute to developing the area into a tourism destination with an improved sense of local community identity, wellbeing and pride of place.

### Spilsby Sessions House

Spilsby Sessions House, is located on Church Street in Spilsby in the East Midlands Region of England. Spilsby is a market town adjacent to the main A16, located to the east of Lincoln and north-west of Skegness, lying on the southern edge of the Lincolnshire Wolds and north of the Fenlands. As of the 2011 census, the population of Spilsby is 3045. Traditionally a rural agricultural economy, Spilsby Sessions House is located within one of the 20% most deprived areas of the country.

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## Further location details for this project

### Project location 1

Postcode

PE23 5DY

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Grid reference 53.17408, 0.09243

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Upload GIS/map file (optional)

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% of project investment in this location 62%

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### Select the constituencies covered by this project

Project constituency 1

---

Select constituency Lincoln

---

Estimate the percentage of this package project invested in this constituency 100%

---

### Select the local authorities / NI councils covered by this project

Project local authority 1

---

Select local authority East Lindsey

---

Estimate the percentage of this package project invested in this Local Authority 100%

---

### What is the total grant requested from LUF for this project?

£4929094

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### What is the proportion of funding requested for each of the Fund's three investment themes?

Regeneration and Town Centre 0%

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Cultural 100%

---

Transport 0%

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### Confirm the value of match funding secured for the component project

£399656

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### Provide details of all the sources of match funding within your bid for this component project

Spilsby Session House:

Historic England (secured match 22/23) = £49,156  
National Lottery Heritage Fund (EOI submitted) = £249,000  
Arts Council (future application to be made for fitout) = £51,000  
As yet unidentified source = £50,500

Total = £399,657

---

## Value for money

### Economic Benefits

The framework for assessing the economic benefits of the LUF programme has been developed using the HM Treasury Green Book, guidance published by MHCLG and other government departments including DCMS and BEIS. Following published guidance, this has included the consideration of the following benefits:

- Land value uplift – analysis of changes in land values, which reflect the economic efficiency benefits of converting land into a more productive use. The existing land value is subtracted from the value of the more productive use.
- Amenity benefits – Consistent with the MHCLG Appraisal Guide, it has been assumed that new green spaces in an urban environment have an economic benefit of £109,138 per hectare per annum (2016 prices). This has been adjusted to 2022 prices and applied to the new public realm areas.
- Labour Market – benefits associated with the job creation and reduction in barriers to employment for local workers. In line with MHCLG guidance, a local GVA per worker figure for the relevant sectors has been applied to the jobs taken up by new entrants. In line with the labour market availability and WebTAG guidance, it is assumed 10% of jobs will be occupied by new entrants and there will be a 40% welfare impact for these jobs.
- Employment wellbeing – Benefits experienced by residents not currently in work who move into jobs created by project have been estimated based on values (£5,940 per year in 2018 prices) in the Green Book Supplementary Guidance for Wellbeing.
- Heritage wellbeing – benefits associated with the value from residents benefitting from the maintenance and conservation of historic assets have been calculated, having regard to benchmark values (£7.29 per household in 2020 prices) derived from 'high-quality' research cited in DCMS' Culture and Heritage Capital Evidence Bank. Appropriate catchments have been derived for the projects.
- Museums visitors – The Green Book Supplementary Guidance for Wellbeing shows that engagement with arts and culture has wellbeing benefits. Using a 'high-quality' study in the Culture and Heritage Capital Evidence Bank, which is cited in the Green Book Wellbeing and the LUF Guidance, we have applied a Willingness to Pay for users to the enhanced regional museum and cultural facilities (£3.63 per individual in 2020 prices).
- Cultural Event – Allowance has been made for the well-being benefits enjoyed by attendees at the dedicated cultural events, having regard to benchmark values derived from 2014 research published by DCMS and supported by the Green Book Supplementary Guidance for Wellbeing. At 2022 prices, this assumes that participants realise a lower-end wellbeing value of £55 from attendance at cultural events. Attendees have been projected by specialists for the project.
- Volunteering – As set out in the Green Book Supplementary Guidance for Wellbeing, volunteering is associated with enhanced wellbeing. Specialists for the project have forecasted the number of volunteers supported by the interventions. Using the approach and values figure stated in this guidance, we have applied a value of £911 per volunteer per year using the subjective wellbeing valuation approach.

- Education –The benefits have been estimated through a wage premium from achieving Basic Skills courses and Apprenticeship qualifications as set out by BEIS, using the expected outputs from the facility.
  - Education wellbeing – The Supplementary Guidance for Wellbeing shows that life satisfaction improves based on participation in school wellbeing or resilience programmes. Specialists have forecasted the number of educational programmes support by Project 1. We have monetised this effect at £2,366 per year for each participant, cited in the Wellbeing guidance.
  - Distributional analysis –The approach used to calculate these is that set out in the HM Treasury Green Book, based on equalised disposable household income and welfare weights (the estimate of the marginal utility of income).
- 

## BCR and value assessment

**If it is not possible to provide an overall BCR for your package bid, explain why below**

Spilsby Sessions House

It is estimated that the Spilsby Session House scheme will generate direct benefits of more than £13.0 million. Allowing for distributional effects, reflecting the benefit of investment in an area of relative deprivation, the assessed benefit has increased to nearly £16.8 million.

Based on estimated net marginal costs of £5.3m, the identified benefit will support an initial BCR of 2.5:1 and adjusted BCR of 3.2:1. This is above the threshold of 2.0 and is therefore considered to be high value for money, particularly in light of the wider benefits described below.

---

## Benefit Cost Ratios

|              |     |
|--------------|-----|
| Initial BCR  | 2.5 |
| Adjusted BCR | 3.2 |

---

## Non-monetised benefits for this project

### Introduction

To analyse unquantifiable effects, an assessment of the wider benefits associated has been undertaken through a scoring and weighting framework. Potential wider benefits include:

- Image, perception, and vitality: the schemes will sustain and greatly enhance the town's central tourism assets to greatly enhance the image of the area as a business location and tourism destination. The LUF award will help to establish a 'virtuous circle' of development and investment that will significantly enhance perceptions of the town, both internally and externally. The projects will work together to enhance the overall region as a location for tourism, arts and creativity.
- Community pride – The schemes will re-establish the assets as a focus for work, leisure and key services. High quality design alongside the creation of facilities to host a wide range of community, cultural and civic functions, will contribute to enhancing community pride and integration.
- Job quality and progression – The project will support new employment in a variety of sectors, including tourism, arts, F&B, co-working, and carpentry. There will be the opportunity for networking benefits which will lead to productivity uplift in these sectors. Additionally, the job quality will be greatly enhanced through this new provision, creating an attractive and desirable



location to work with similar individuals.

- Carbon saving and environmental benefits – Each of the projects have incorporated carbon saving measures to ensure there are environmental benefits compared to other projects and the existing counterfactual. For example, there is no new build element for Spilsby Sessions House, Alford Windmill incorporates solar panels to provide green energy, and Alford Manor House includes a ground source heat pump. Spilsby Sessions House could have a potential mix of solar and air source through project design.
- Increased footfall and local spend – The projects are expected to greatly increase footfall levels through the sustainable and well-designed public realm within the scheme. It is predicted that footfall will rise beyond pre-Covid 19 levels which will support new spending in the area to sustain a strong Covid-19 recovery for local businesses.

A weighting and scoring system has been used to assess these impacts as shown in the Economic Technical Note. Overall, substantial wider benefits are expected to deliver scores above 8.0/10 for all three schemes.

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## Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

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## Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

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## Demonstrate that activity for this project can be delivered in 2022-23

As shown in the DLUHC Workbook (Section 2), the following expenditure and activity will occur in 2022/23:

- Design team appointments
  - Surveys
  - Developed design (RIBA Stage 3)
  - Project Management
- 

## Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

N/A.

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Upload content documents (optional)

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## Outstanding statutory powers/consents

Planning application and listed building consent: May 2023 to August 2023

It is intended that East Lindsey District Council (ELDC) will be the lead applicant and accountable body, working with stakeholders to agree final design, tender and project manage all three projects from grant award through delivery to handover on completion.

As Local Planning Authority, through various legislation, ELDC can require works and to carry out in default if necessary. Alford Manor House is a listed building and will require both planning and listed building consents and need to comply with Building Regulations. Initial pre-app discussions for these have been supportive. Statutory consultees including Historic England and Amenity Societies, who have and will continue to be consulted during the design and planning stages to inform the final design and any associated conditions.

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## Project 2 Name

Alford Manor House

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## Provide a short description of this project

Alford Manor House, a Grade II\* listed building and the country's largest thatched manor house, will benefit from new community space and improved visitor facilities

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## Provide a more detailed overview of the project

Alford Manor House

Alford Manor House is a Grade II\* listed building, reputedly the largest thatched manor house in the country. Owned by the Alford and District Civic Trust, the site is a significant visitor attraction. It currently includes a local heritage museum, a tea room, gardens and a temporary functions space (marquee).

The project would create a permanent new 237m<sup>2</sup> function space to replace the temporary marquee. This will allow for the relocation/improvement of the tea room and kitchen, freeing up space for the heritage display within the museum. As part of the project, the heritage collection which relates specifically to the history of milling will be moved from its store at the Manor House to Alford Windmill. The project will deliver:

- A new community venue which will enhance social interaction in a rural community.
  - Improved layout displays and site entrance/carpark.
  - Dry rot repairs and thatch renewal (incorporating fire improvements).
- 

## Provide a short description of the area where the investment will take place for this project

Local Cluster of Heritage Assets

The LUF package of projects represents a significant investment in the local culture, heritage and visitor economy. Alford and Spilsby are near each other (15-minute drive), therefore the LUF investment would work to develop a local cluster of high-quality heritage and culture assets that would benefit the economy through increasing the number of visits by tourists. The redeveloped assets will help to develop a strong local community.

The local authority led regeneration of key cultural and heritage sites in Spilsby and Alford will contribute to developing the area into a tourism destination with an improved sense of local community identity, wellbeing and pride of place.

Alford Manor House

Alford Manor House is located on the corner of Park Lane and West Street, with Alford Windmill only 0.5 miles along the A1104. With a 2011 population of around 3,500. Both the House and the Windmill are located within a neighbourhood that is the 30% most deprived in the country.

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## Further location details for this project

### Project location 1

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|  |                   |
|--|-------------------|
| Postcode                                 | LN13 9HT          |
| Grid reference                           | 53,26164, 0.17803 |
| Upload GIS/map file (optional)           |                   |
| % of project investment in this location | 24%               |

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## Select the constituencies covered by this project

### Project constituency 1

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|   |         |
|---|---------|
| Select constituency   | Lincoln |
| Estimate the percentage of this package project invested in this constituency | 100%    |

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## Select the local authorities / NI councils covered by this project

### Project local authority 1

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|  |              |
|--|--------------|
| Select local authority   | East Lindsey |
| Estimate the percentage of this package project invested in this Local Authority | 100%         |

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## What is the total grant requested from LUF for this project?

£2050000

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## What is the proportion of funding requested for each of the Fund's three investment themes?

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|                              |      |
|------------------------------|------|
| Regeneration and Town Centre | 0%   |
| Cultural                     | 100% |

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## Confirm the value of match funding secured for the component project

£50000

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## Provide details of all the sources of match funding within your bid for this component project

Alford Manor House  
Alford and District Civic Trust (secured) = £50,000

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## Value for money

### Economic Benefits

The framework for assessing the economic benefits of the LUF programme has been developed using the HM Treasury Green Book, guidance published by MHCLG and other government departments including DCMS and BEIS. Following published guidance, this has included the consideration of the following benefits:

- Land value uplift – analysis of changes in land values, which reflect the economic efficiency benefits of converting land into a more productive use. The existing land value is subtracted from the value of the more productive use.
- Amenity benefits – Consistent with the MHCLG Appraisal Guide, it has been assumed that new green spaces in an urban environment have an economic benefit of £109,138 per hectare per annum (2016 prices). This has been adjusted to 2022 prices and applied to the new public realm areas.
- Labour Market – benefits associated with the job creation and reduction in barriers to employment for local workers. In line with MHCLG guidance, a local GVA per worker figure for the relevant sectors has been applied to the jobs taken up by new entrants. In line with the labour market availability and WebTAG guidance, it is assumed 10% of jobs will be occupied by new entrants and there will be a 40% welfare impact for these jobs.
- Employment wellbeing – Benefits experienced by residents not currently in work who move into jobs created by project have been estimated based on values (£5,940 per year in 2018 prices) in the Green Book Supplementary Guidance for Wellbeing.
- Heritage wellbeing – benefits associated with the value from residents benefitting from the maintenance and conservation of historic assets have been calculated, having regard to benchmark values (£7.29 per household in 2020 prices) derived from 'high-quality' research cited in DCMS' Culture and Heritage Capital Evidence Bank. Appropriate catchments have been derived for the projects.
- Museums visitors – The Green Book Supplementary Guidance for Wellbeing shows that engagement with arts and culture has wellbeing benefits. Using a 'high-quality' study in the Culture and Heritage Capital Evidence Bank, which is cited in the Green Book Wellbeing and the LUF Guidance, we have applied a Willingness to Pay for users to the enhanced regional museum and cultural facilities (£3.63 per individual in 2020 prices).
- Volunteering – As set out in the Green Book Supplementary Guidance for Wellbeing, volunteering is associated with enhanced wellbeing. Specialists for the project have forecasted the number of volunteers supported by the

interventions. Using the approach and values figure stated in this guidance, we have applied a value of £911 per volunteer per year using the subjective wellbeing valuation approach.

- Education –The benefits have been estimated through a wage premium from achieving Basic Skills courses and Apprenticeship qualifications as set out by BEIS, using the expected outputs from the facility.
  - Distributional analysis – The approach used to calculate these is that set out in the HM Treasury Green Book, based on equivalised disposable household income and welfare weights (the estimate of the marginal utility of income).
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## BCR and value assessment

**If it is not possible to provide an overall BCR for your package bid, explain why below**

Alford Manor House

It is estimated that the Alford Manor House scheme will generate direct benefits of more than £5.8 million. Allowing for distributional effects, reflecting the benefit of investment in an area of relative deprivation, the assessed benefit has increased to nearly £7.4 million.

Based on estimated net marginal costs of £2.1m, the identified benefit will support an initial BCR of 2.8:1 and adjusted BCR of 3.6:1. This is above the threshold of 2.0 and is therefore considered to be high value for money, particularly the wider benefits described below.

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## Benefit Cost Ratios

|              |     |
|--------------|-----|
| Initial BCR  | 2.8 |
| Adjusted BCR | 3.6 |

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## Non-monetised benefits for this project

### Introduction

To analyse unquantifiable effects, an assessment of the wider benefits associated has been undertaken through a scoring and weighting framework. Potential wider benefits include:

- Image, perception, and vitality: the schemes will sustain and greatly enhance the town's central tourism assets to greatly enhance the image of the area as a business location and tourism destination. The LUF award will help to establish a 'virtuous circle' of development and investment that will significantly enhance perceptions of the town, both internally and externally. The projects will work together to enhance the overall region as a location for tourism, arts and creativity.
- Community pride – The schemes will re-establish the assets as a focus for work, leisure and key services. High quality design alongside the creation of facilities to host a wide range of community, cultural and civic functions, will contribute to enhancing community pride and integration.
- Job quality and progression – The project will support new employment in a variety of sectors, including tourism, arts, F&B, co-working, and carpentry. There will be the opportunity for networking benefits which will lead to productivity uplift in these sectors. Additionally, the job quality will be greatly enhanced through this new provision, creating an attractive and desirable location to work with similar individuals.
- Carbon saving and environmental benefits – Each of the projects have

incorporated carbon saving measures to ensure there are environmental benefits compared to other projects and the existing counterfactual. For example, there is no new build element for Spilsby Sessions House, Alford Windmill incorporates solar panels to provide green energy, and Alford Manor House includes a ground source heat pump. Spilsby Sessions House could have a potential mix of solar and air source through project design.

- Increased footfall and local spend – The projects are expected to greatly increase footfall levels through the sustainable and well-designed public realm within the scheme. It is predicted that footfall will rise beyond pre-Covid 19 levels which will support new spending in the area to sustain a strong Covid-19 recovery for local businesses.

A weighting and scoring system has been used to assess these impacts as shown in the Economic Technical Note. Overall, substantial wider benefits are expected to deliver scores above 8.0/10 for all three schemes.

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## Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

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## Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

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## Demonstrate that activity for this project can be delivered in 2022-23

As shown in the DLUHC Workbook (Section 2), the following expenditure and activity will occur in 2022/23:

- Detailed design works and planning (RIBA Stage 3)
  - Technical design works and building control (RIBA Stage 4)
  - Project management
- 

## Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

N/A.

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Upload content documents (optional)

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## Outstanding statutory powers/consents

It is intended that East Lindsey District Council (ELDC) will be the lead applicant and accountable body, working with stakeholders to agree final design, tender and project manage all three projects from grant award through delivery to handover on completion.

As Local Planning Authority, through various legislation, ELDC can require works and to carry out in default if necessary. Alford Manor House is a listed building and will require both planning and listed building consents and need to comply with Building Regulations.

Initial pre-app discussions for these have been supportive. Statutory consultees including Historic England and Amenity Societies, who have and will continue to be consulted during the design and planning stages to inform the final design and any associated conditions.

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## Project 3 Name

Alford Windmill

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## Provide a short description of this project

Alford's only remaining windmill, Grade I listed, will be brought back into commercial use as part of a thriving visitor/community complex.

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## Provide a more detailed overview of the project

Alford Windmill

In 2000, Alford Windmill was in full working order, producing flour and supported by a thriving café and shop. Major repair works are now needed, which are due to be carried out by its current owners Lincolnshire County Council (LCC). Following these, the Windmill's ownership will transfer from LCC to Alford Town Council who will establish a new charity, the Alford Windmill Trust, to reopen and operate the Windmill as a major visitor attraction with a viable operating model.

The LUF project will make several critical improvements on the site:

- The Windmill will be brought back into working order (funded by LCC).
  - The Millers Cottage, currently unused, will be restored and turned into a new, three-bedroom holiday cottage.
  - The Bakery, Sail House and Engine Shed will be brought back into use.
  - A new building of 105m<sup>2</sup> will be created house the Millwrights story, the historic Thompson Collection, a new café and a shop.
- 

## Provide a short description of the area where the investment will take place for this project

Local Cluster of Heritage Assets

The LUF package of projects represents a significant investment in the local culture, heritage and visitor economy. Alford and Spilsby are near each other (15-minute drive), therefore the LUF investment would work to develop a local cluster of high-quality heritage and culture assets that would benefit the economy through increasing the number of visits by tourists. The redeveloped assets will help to develop a strong local community.

The local authority led regeneration of key cultural and heritage sites in Spilsby and Alford will contribute to developing the area into a tourism destination with an improved sense of local community identity, wellbeing and pride of place.

Alford Windmill

Alford Manor House is located on the corner of Park Lane and West Street, with Alford Windmill only 0.5 miles along the A1104. With a 2011 population of



around 3,500. Both the House and the Windmill are located within a neighbourhood that is the 30% most deprived in the country.

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## Further location details for this project

### Project location 1

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|  |                   |
|--|-------------------|
| Postcode                                 | LN13 9EL          |
| Grid reference                           | 53.26571, 0.18414 |
| Upload GIS/map file (optional)           |                   |
| % of project investment in this location | 13%               |

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## Select the constituencies covered by this project

### Project constituency 1

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|   |         |
|---|---------|
| Select constituency   | Lincoln |
| Estimate the percentage of this package project invested in this constituency | 100%    |

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## Select the local authorities / NI councils covered by this project

### Project local authority 1

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|  |              |
|--|--------------|
| Select local authority   | East Lindsey |
| Estimate the percentage of this package project invested in this Local Authority | 100%         |

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## What is the total grant requested from LUF for this project?

£1112680

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## What is the proportion of funding requested for each of the Fund's three investment themes?

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|                              |      |
|------------------------------|------|
| Regeneration and Town Centre | 0%   |
| Cultural                     | 100% |
| Transport                    | 0%   |

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## Confirm the value of match funding secured for the component project

£511670

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## Provide details of all the sources of match funding within your bid for this component project

Alford Windmill  
Alford Town Council (secured) = £12,000  
Lincolnshire County Council (committed) = £500,000  
Total match = £512,000

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## Value for money

### Economic Benefits

The framework for assessing the economic benefits of the LUF programme has been developed using the HM Treasury Green Book, guidance published by MHCLG and other government departments including DCMS and BEIS. Following published guidance, this has included the consideration of the following benefits:

- Land value uplift – analysis of changes in land values, which reflect the economic efficiency benefits of converting land into a more productive use. The existing land value is subtracted from the value of the more productive use.
  - Heritage wellbeing – benefits associated with the value from residents benefitting from the maintenance and conservation of historic assets have been calculated, having regard to benchmark values (£7.29 per household in 2020 prices) derived from 'high-quality' research cited in DCMS' Culture and Heritage Capital Evidence Bank. Appropriate catchments have been derived for the projects.
  - Museums visitors – The Green Book Supplementary Guidance for Wellbeing shows that engagement with arts and culture has wellbeing benefits. Using a 'high-quality' study in the Culture and Heritage Capital Evidence Bank, which is cited in the Green Book Wellbeing and the LUF Guidance, we have applied a Willingness to Pay for users to the enhanced regional museum and cultural facilities (£3.63 per individual in 2020 prices).
  - Distributional analysis – The approach used to calculate these is that set out in the HM Treasury Green Book, based on equalised disposable household income and welfare weights (the estimate of the marginal utility of income).
- 

## BCR and value assessment

### If it is not possible to provide an overall BCR for your package bid, explain why below

Alford Windmill

It is estimated that the Alford Windmill scheme will generate direct benefits of more than £4.3 million. Allowing for distributional effects, reflecting the benefit of investment in an area of relative deprivation, the assessed benefit has increased to nearly £5.6 million.

Based on estimated net marginal costs of £1.6m, the identified benefit will support an initial BCR of 2.6:1 and adjusted BCR of 3.4:1. This is in line with the threshold of 2.0 and is therefore considered to be high value for money, particularly in light of the wider benefits described below.

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## Benefit Cost Ratios

Initial BCR 2.6

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Adjusted BCR 3.4

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## Non-monetised benefits for this project

### Introduction

To analyse unquantifiable effects, an assessment of the wider benefits associated has been undertaken through a scoring and weighting framework. Potential wider benefits include:

- Image, perception, and vitality: the schemes will sustain and greatly enhance the town's central tourism assets to greatly enhance the image of the area as a business location and tourism destination. The LUF award will help to establish a 'virtuous circle' of development and investment that will significantly enhance perceptions of the town, both internally and externally. The projects will work together to enhance the overall region as a location for tourism, arts and creativity.
- Community pride – The schemes will re-establish the assets as a focus for work, leisure and key services. High quality design alongside the creation of facilities to host a wide range of community, cultural and civic functions, will contribute to enhancing community pride and integration.
- Job quality and progression – The project will support new employment in a variety of sectors, including tourism, arts, F&B, co-working, and carpentry. There will be the opportunity for networking benefits which will lead to productivity uplift in these sectors. Additionally, the job quality will be greatly enhanced through this new provision, creating an attractive and desirable location to work with similar individuals.
- Carbon saving and environmental benefits – Each of the projects have incorporated carbon saving measures to ensure there are environmental benefits compared to other projects and the existing counterfactual. For example, there is no new build element for Spilsby Sessions House, Alford Windmill incorporates solar panels to provide green energy, and Alford Manor House includes a ground source heat pump. Spilsby Sessions House could have a potential mix of solar and air source through project design.
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A weighting and scoring system has been used to assess these impacts as shown in the Economic Technical Note. Overall, substantial wider benefits are expected to deliver scores above 8.0/10 for all three schemes.

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## Does this project include plans for some LUF grant expenditure in 2022-23?

Yes

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## Could this project be delivered as a standalone project?

Yes - the project could be delivered as a standalone project

---

## Demonstrate that activity for this project can be delivered in 2022-23

As shown in the DLUHC Workbook (Section 2), the following expenditure and activity will occur in 2022/23:

- Detailed design works and planning (RIBA Stage 3)
  - Technical design works and building control (RIBA Stage 4)
  - Tender and contract
  - Project management
- 

## Statutory Powers and Consents

List separately below each power/consents etc. obtained for this project

N/A.

---

Upload content documents (optional)

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## Outstanding statutory powers/consents

Except for the repairs to Alford Windmill carried out by Lincolnshire County Council (LCC), East Lindsey District Council (ELDC) will be the lead applicant and accountable body, working with stakeholders to agree final design, tender and project manage all three projects from grant award through delivery to handover on completion.

As Local Planning Authority, through various legislation, ELDC can require works and to carry out in default if necessary. Alford Windmill is a listed building and will require both planning and listed building consents and need to comply with Building Regulations. Initial pre-app discussions for these have been supportive. Statutory consultees including Historic England and Amenity Societies, who have and will continue to be consulted during the design and planning stages to inform the final design and any associated conditions.

As its current owners, LCC have a statutory responsibility to repair Alford Windmill which was recently added to the national "At Risk Register" and have committed to do so. This will require an application for Listed Building Consent only. LCC can determine their own applications as the Local Planning Authority.

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