

Lytham Hall

Presentation to the Tourism and Leisure Committee of Fylde Borough Council

3 November 2016

My name is David Gill, Chairman of Lytham Town Trust which owns Lytham Hall. I am a Chartered Accountant with a Diploma in Charity Accounting and I have spent a large part of my time in professional practice acting for charitable clients and others in the not for profit sector. There are 5 issues I would like to bring to your attention this evening.

Although the Council's grant of £300k was paid to Heritage Trust for the North West (HTNW) in 2011 the project did not actually begin until 2013 with the first claim to the Heritage Lottery Fund (the HLF) being submitted for the quarter to 30 June 2013. HTNW's audited Balance Sheet at 31 March of that year reveals that, at that date, it held only £1,842 in cash. It is evident from this that the Council's grant had been spent by HTNW even before the project had begun. My colleague Stan Kitt will say more about this in a moment.

You have seen from the report you have received for this meeting that the matched funding from Lancashire County Council (LCC) was withheld because HTNW did not come forward with an asset disposal strategy intended to reduce its reliance on loans to fund its operations. It was the failure to comply with this condition, or to negotiate its relaxation, that was ultimately responsible for the loss of £2.7m of funding for the much needed restoration of Lytham Hall. We have received no explanations as to the reasons for this.

Following a delay of 5 years since the HLF grant was awarded (amongst the longest ever experienced by the HLF) in April this year they threatened to cancel the project. Following the intervention of Mark Menzies, the Regional Head of the HLF gave HTNW 30 days to come forward with a proposal that

dealt with their numerous concerns. We worked with the Project Manager to compile a report dealing with all of their questions and put forward a scaled down but fully funded programme costing £2.4m to restore the Hall. During their assessment of this application the HLF commissioned Moore Stephens, a firm of accountants, to undertake an external review into HTNW's organisational and project finances. We believe the resulting report was behind the "significant concerns" the HLF expressed about HTNW's governance and management when they rejected this application. A copy of the Moore Stephens report was provided to Ted Stanworth, Chairman of HTNW, on 9 August 2016 and it is a source of huge frustration to us that, almost 3 months later, we have neither seen this report nor been made aware of the detailed reasons why the application was declined.

Turning now to the Heads of Terms issued by the Council to HTNW and accepted by John Miller on its behalf on 5 August 2011, one of the conditions of the payment of the grant was that HTNW would keep accurate financial records to show how it had been used and to make this information available upon request. I cannot help wondering why, if this condition had been fully complied with, no such financial account has been supplied to the Council for your consideration prior to this meeting.

In conclusion, the Board of Lytham Town Trust is far from satisfied that all the money received by HTNW for the HLF project at Lytham Hall has been spent on purposes approved by the HLF, most notably the restoration of the fabric of the Hall which remains in a desperate state of repair. Consequently it is our strong recommendation that the use of these funds by HTNW be subject to a thorough and independent enquiry. The results of this investigation will then inform this Committee's future decision on what further action needs to be taken.

Thank you.