

This Report will be made public on 12 July 2011

**Folkestone**

Hythe & Romney Marsh  
Shepway District Council



Report Number **C/11/16**

**To: Cabinet**  
**Date: 20 July 2011**  
**Status: Non-Key Decision**  
**Corporate Director: Mark Parkinson - Communities**  
**Cabinet Member: Councillor Robert Bliss, Leader of the Council**

**SUBJECT: INTERREG IVA – TRANSFORMING PUBLIC MARITIME SPACES**

**SUMMARY:**

Assisted through the BOSCO+ Partnership, the Economic Regeneration team and Community Safety Unit have been working with partners in Shepway, Boulogne-sur-Mer and Ostend to take forward an Interreg IVa project that looks to work together to bring under-used maritime spaces back into use through exchanges of best practice on planning and urban design, the implementation of small capital initiatives that create activities on the seafronts, and the co-ordination of joint events.

Subject to Cabinet approval, this bid will go before the Project Monitoring Committee at Nord Pas de Calais in November 2011. In line with 'Financial Procedure Rules' requirements regarding external funding, this report explains the bid and puts forward the following recommendations.

**REASONS FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations set out below because:

- a) It strengthens the value of BOSCO+ and the partnership Shepway has with Boulogne-sur-Mer.
- b) It will help cement the newly developed relationship with Ostend, which will be essential in the development of future BOSCO+ bids.
- c) It will help to promote the Folkestone Seafront and Harbour area both locally and internationally and add value to the ambitious Seafront Masterplan.
- d) It will contribute towards the Council's Strategic Objective of Creating Places where People want to Live and Work.

**RECOMMENDATIONS:**

1. To receive and note Report C/11/16.
2. To support the submission of the project bid to the Project Monitoring Committee at the Region de Nord Pas de Calais.

## **1 BACKGROUND**

- 1.1 With the current Interreg IVa funded initiatives – Transmanche Green Networks (Romney Marsh) and Treasures Revealed (Folkestone History Centre) – coming to an end over the next 18 months, officers from Shepway DC and the Ville de Boulogne were tasked by the BOSCO+ board with investigating a new Interreg IVa ‘2 Seas’ bid along the theme of transforming public maritime spaces. As a result of this meeting, officers carried out the following:
  - 1.1.1 An officer meeting involving staff from Shepway and Boulogne to investigate the similarities between projects that are planned for our ports and coastal areas, and to identify the possible scope of an Interreg project.
  - 1.1.2 Meetings with potential partners in Belgium - The Interreg IVa Managing Authority has formally stated that in order to access further Interreg IVa funding, the BOSCO+ partnership needs to include a Belgian or Dutch partner into its projects in order to show that it is working for the benefit of the entire eligible area, known as the ‘2 Seas’ region. Following a number of successful meetings, Ostend Town Hall became fully committed to a Shepway-Boulogne-Ostend project.
  - 1.1.3 Discussions with Interreg Advisors on the likelihood of a bid on this topic being funded, which were broadly positive.
- 2.2 On 15 February 2011, the officers presented their findings to the BOSCO+ board, and the board accepted that officers should continue to develop a project covering Shepway, Boulogne and Ostend along the maritime theme.
- 2.3 Since February 2011, officers from the three areas have developed the bid further and visited the Managing Authority in Lille to ascertain the likelihood of success for the bid.

## **2 PROJECT SUMMARY**

- 2.1 The overall aims of this project will be to:
  - Gain a mutual understanding of each country’s approach to urban design and master-planning in coastal areas through exchange of best practice meetings.
  - Learn about the challenges facing each area through study tours for planners, urban designers, architects and related practitioners.
  - Develop innovative techniques to involve the community in the transformation of their coastal landscape, and undertake joint community engagement initiatives.
  - Communicate effectively on the transformation of each area’s maritime spaces.
  - Jointly plan and implement selected pilot projects involving re-appropriation of unused maritime spaces and buildings in order to bring them back into use for the community

- Improve use of the maritime spaces through a series of events.

2.2 Whilst the project in its entirety will also cover the transformation of similar port areas in Boulogne and Ostend, as far as Shepway District Council is concerned the project translates into the following:

- Helping to contribute towards one of the District's regeneration priorities – taking forward Folkestone Seafront and Harbour.
- Working in partnership with the Roger de Haan Charitable Trust in order to commission research and contribute towards the delivery of a new beach sports stadium.
- Improving linkages between the town centre and seafront area – potentially through improvements to the Bayle Steps.
- Minor public realm improvements at Folkestone Seafront.
- Funding for events and activities which include partners from Boulogne and Ostend and will help to increase footfall at the Seafront and Harbour. This could include sports activities such as street athletics, and cultural events.

2.3 In order to comply with the requirements of Interreg IVa funding, and to fully benefit from the partnership working with French and Belgian colleagues, this activity will be complemented by a series of cross-border exchanges and activities.

2.4 In addition to running the project itself, there is also a requirement for one partner in the project to become 'Lead Partner'. The allocated 'Lead Partner' is responsible for being the main point of contact for the Managing Authority - co-ordinating claims and grant payments, notifying of any minor or major amendments to the project as it progresses (and filling in the necessary paperwork) and handling any audit requests. With the Ville de Boulogne and the Communauté d'agglomération du Boulonnais (CAB) being 'Lead Partner' for the previous 2 Interreg IVa projects, Shepway District Council has agreed to be 'Lead Partner' on this occasion.

### 3 FINANCES

3.1 As required by the Interreg IVa Managing Authority, the finances are calculated in euros. An exchange rate of €1.3 equals £1 has been used in line with Kent County Council guidance. In comparison with trends over the past two years, this rate is on the cautious side. During this period the average rate has been 1.16, with a relatively low level of fluctuation illustrated by a high of 1.235 and a low of 1.065:

**Table 1: Total Project Costs (in Euros and £).**

<b>Area of Expenditure</b>	<b>Cost (euros)</b>	<b>Cost (£)</b>
<b>Preparation</b>	<b>€249,163</b>	<b>£191,664</b>
<i>Meetings/Site Visits</i>	<i>€5,000</i>	<i>£3,846</i>
<i>Feasibility Studies</i>	<i>€71,000</i>	<i>£54,615</i>
<i>Exhibitions and Events</i>	<i>€90,000</i>	<i>£69,231</i>
<i>Staff Time</i>	<i>€83,163</i>	<i>£63,972</i>

<b>Activity One – Learning and Planning to Transform Public Spaces</b>	<b>€836,692</b>	<b>£643,609</b>
<i>Workshops and Study Tours</i>	€22,000	£16,923
<i>Planning and Design</i>	€665,000	£511,538
<i>Staff Time</i>	€149,692	£115,148
<b>Activity Two – Transforming Maritime Spaces</b>	<b>€1,592,692</b>	<b>£1,225,148</b>
<i>Community/Events Spaces</i>	€686,000	£527,692
<i>Public Realm Improvements</i>	€262,000	£201,538
<i>Lighting</i>	€495,000	£380,769
<i>Staff Time</i>	€149,692	£115,148
<b>Activity Three – Rebirth of Maritime Spaces</b>	<b>€1,214,193</b>	<b>£933,995</b>
<i>Community Workshops</i>	€6,000	£4,615
<i>Events</i>	€1,037,500	£798,077
<i>Staff Time</i>	€149,693	£115,149
<i>Consultants</i>	€21,000	£16,154
<b>Communication</b>	<b>€674,792</b>	<b>£519,071</b>
Film and Report	€76,000	£58,462
Exhibitions	€85,500	£65,769
Public Consultations	€65,000	£50,000
Inauguration Events	€16,500	£12,692
Marketing and Tourism Promotion	€241,099	£185,461
Final Conference	€20,000	£15,385
Staff Time	€149,693	£115,148
Consultants	€21,000	£16,154
<b>Project Management and Co-ordination</b>	<b>€191,658</b>	<b>£147,429</b>
<i>Steering Group Meetings</i>	€6,565	£5,050
<i>First Level Controls (Audit)</i>	€14,400	£11,077
<i>Staff Time</i>	€149,693	£115,148
<i>Consultants</i>	€21,000	£16,154
<b>TOTAL</b>	<b>€4,759,190</b>	<b>£3,660,916</b>

3.2 As shown in Table 1, the project has three main budget activities. The starting point is the 'learning and planning' phase which is focussed on understanding each country's approach to development – an issue certainly of national interest to the current government, who are looking at why development costs are so high in the UK in comparison to the rest of Europe. This phase is costed at €836,692 (circa £644,000). The second phase – 'Transforming Maritime Spaces' – will use the learning from the first phase to jointly implement minor capital projects. This phase is costed at €1,592,692 (circa £1,225,000). The third phase builds upon the joint working undertaken in the previous two phases and aims to bring new life

to the maritime spaces through a series of events and activities. The third phase is costed at €1,214,193 (circa £934,000).

- 3.3 In addition to the main activity, preparation, communication and project management costs have also been built into the budget.

**Table 2: Costs broken down per partner.**

<b>Partners</b>	<b>Total Costs (euro)</b>	<b>Total Costs in £</b>
Shepway District Council	€286,620	£220,477
Roger de Haan Charitable Trust	€1,018,100	£783,154
Ville de Boulogne sur Mer	€1,276,875	£982,212
Communaute d'agglomeration du Boulonnais (CAB)	€503,000	£386,923
Ostend Town Hall	€1,279,170	£983,977
AGSO Ostend	€233,475	£179,596
BOSCO Association	€161,950	£124,577
<b>Total</b>	<b>€4,759,190</b>	<b>£3,660,916</b>

- 3.4 As is evident from Table 2, the contribution of Shepway DC to the project is €286,620 out of a total sum of circa €4.75 million. By working in partnership with the Roger de Haan Charitable Trust, the value of the project to the Shepway area increases to just over €1.3 million. Also of benefit to Shepway District Council is that the project provides income to sustain the BOSCO+ partnership.
- 3.5 Whilst still a part of the BOSCO+ partnership, Canterbury City Council have not become a partner of this specific bid. In December 2010, Canterbury City Council gave advanced warning to the BOSCO+ board that they may need to leave the partnership by the end of 2011 due to financial reasons. Whilst they have since expressed an interest in the bid at a recent board meeting, they do not have a similar port town within their district. However, Canterbury City Council continues to be part of the other two existing Interreg IVa projects co-ordinated through the BOSCO+ partnership – Transmanche Green Networks and Treasures Revealed.

**Table 3: Shepway District Council budget.**

<b>Action</b>	<b>Shepway DC (in €)</b>	<b>Shepway DC (in £)</b>
<b>2010/11</b>		
Fixed Cost (existing staff time)	€21,500	£16,538
Variable Cost (ED10 2144)	€2,500	£1,924
<b>2011/12</b>		
Fixed Cost (existing staff time)	€22,500	£17,308
Variable Cost (ED10 2144)	€10,000	£7,692
Variable Cost (ED01 2602)	€10,000	£7,692
<b>2012/13</b>		
Fixed cost (staff time)	€27,000	£20,769
Variable Cost (ED10 2144)	€10,000	£7,692
Variable Cost (Communities Budget)	€30,000	£23,077
Variable Cost (ED01 2602)	€10,000	£7,692

<b>2013/14</b>		
Fixed cost (staff time)	€27,000	£20,769
Variable Cost (ED10 2144)	€10,000	£7,692
Variable Cost (Communities Budget)	€30,000	£23,077
Variable Cost (ED01 2602)	€10,000	£7,692
<b>2014/15</b>		
Fixed cost (staff time)	€24,350	£18,732
Variable Cost (ED10 2144)	€6,240	£4,800
Variable Cost (Communities Budget)	€30,000	£23,077
Variable Cost (ED01 2602)	€5,530	£4,254
<b>Total cost</b>	<b>€286,620</b>	<b>£220,477</b>
<b>Amount of Grant Funding Received (50% of cost)</b>	<b>€143,310</b>	<b>£110,238</b>

- 3.6 As set out in Table 3, the funding of this project is covered through a combination of existing staff costs and existing budget lines. These existing budgets have been identified from the Economic Regeneration Team and the Community Safety Unit. The costs relating to 2010/11 are those relating to the preparation of the bid. 50% of these costs can be claimed back if the bid is successful.

#### 4. RISK MANAGEMENT ISSUES:

- 4.1 A summary of the perceived risks is as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The project is not approved by the Project Monitoring Committee.	High	Medium	The high level of cross border activity makes this a strong project. Ongoing discussions with Interreg advisers and the Interreg Programme team at Nord Pas de Calais have also been positive. However, very recent announcements do suggest the amount of funding left in the programme is quite low and the competition for funding is high.
Other partners in the project underperform.	Medium	Low	Most partners have experience in running Interreg-funded projects, and care has been taken to bring credible partners on board with this project. The BOSCO+ partnership will also ensure that all timescales are met.
The budget is overspent.	High	Medium	SDC has considerable experience of managing Interreg funded projects. The Regeneration Monitoring Officer will keep a close eye

			on how the project progresses and if there are any issues with the budget, the partners will need to liaise with the Managing Authority to address this directly, and if needs modify the project.
The exchange rate between £ and € changes greatly (all budgets are set in euro).	Medium	Low/Medium	<p>If successful the grant will be paid in Euros. As administering body, Financial Services have suggested setting up a Euro account to address some of the issues around exchange rates.</p> <p>The project rate of exchange has been set at €1.3 to £1 which is a cautious rate against a two year average of €1.16 to £1. This allows for a weakening of the Euro against Sterling. However, it is difficult to predict future rates and if the Euro was to significantly weaken against the Sterling beyond the rate set, the English partners would need to scale back the project accordingly.</p>
The EU paying authority claws back some of the Interreg funding.	High	Low	All expenditure files will need to be kept for many years after the project itself has been completed as the project is likely to be audited in the future by the Paying Authority. The Monitoring Officer will ensure that all files are kept and the correct audit trail is presented.

## 5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

### 5.1 Legal Officer's Comments (EC)

None arising directly out of this report

### 5.2 Finance Officer's Comments (MF)

The financial implications have been addressed in the main body of the report.

Preparation work has been carried out regarding the setting up of a Euro bank account but full costs cannot be ascertained until a tender is submitted to the bank. This will be submitted if the bid is successful. The

service area has informed Finance that these costs will be met from the grant.

### **5.3 Diversities and Equalities Implications (JW)**

There are no issues arising directly out of this report with regards to diversities and equalities.

## **6. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

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The following background documents have been relied upon in the preparation of this report:

None