

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO:	Council	19 July 2007
AUTHOR/S:	Chief Executive / Corporate Manager, Policy Performance and Partnerships	

FUTURE OF MILTON COUNTRY PARK

Purpose

1. To consider the bids put forward for taking on the running of Milton Country Park, decide on the successful bidder and to agree to lease the land to them, subject to due diligence.
2. To approve the process and financial arrangements for the disposal of the Council's country park service, including the transfer of the Ranger staff.

Executive Summary

3. Following a process inviting 'expressions of interest', three organisations were invited to submit proposals for taking on the running of Milton Country Park: Cambridge Preservation Society (CPS), Cambridge Sports Lakes Trust (CSLT), and the National Trust (NT).
4. Proposals have been received from CPS, CSLT and the National Trust, however the National Trust decided not to proceed with a bid. They have expressed their willingness to be involved in partnership with whoever is selected, if this would be of interest.
5. The proposal from CPS has several major caveats, concerning staffing, the length of the agreement and on funding required from the Council. These present unacceptable conditions in terms of the council's legal responsibilities.
6. CSLT is the least well established of the bidders, as a new organisation without an established track record of managing similar facilities; however, the park presents a strong strategic fit with their aims and CSLT have put forward a clear proposal that appears to meet both the Council's and their own objectives. As CSLT's business plan does rely on donations and sponsorship there is a financial risk that CSLT may not be able to make the park self-financing. Nonetheless, given the alternative strategic options this proposal is recommended for acceptance.

Background

7. The ownership of the land, which comprises Milton Country Park, is shown in Appendix A. The County Council owns the central area, which is licensed to SCDC on an agreement, which can be terminated subject to three months' notice on either side.
8. The need to reduce the costs of the park has been covered in a series of reports over the last two years. As the only countryside facility run by the Council, the principle of finding another body to take on the management has been discussed for the last two

or three years, to find a suitable organisation for whom the park would be part of their 'core business'.

9. On 14 December 2006 the Cabinet agreed that the park had to be transferred to a new management body; officers would be instructed to close the park if there was no organisation appearing likely to take on the park by a deadline of 31 August 2007.
10. On 8 March 2007 Cabinet supported the principle of releasing the Council's land within the park to a new agency, to enable it to take on the park's management, subject to full consideration being brought back.
11. A workshop for all interested parties was held on 29 March 2007, arranged by Cambridge Preservation Society working with Cambridgeshire Horizons and South Cambs. The purpose of the workshop was to review and advise on the options being pursued by the Council and to guide the way forward. A report with the outcomes from the workshop was considered by Cabinet on 12 April 2007. They approved a negotiated 'expression of interest' procedure and the establishment of a review panel to select the best option.
12. Cabinet also recommended to Council that it approved the principle of disposing of SCDC land in the park. On 26 April, Council resolved: "that the disposal of the SCDC land in the park, and the land on a 999-year lease from the Stokes, be approved in principle, on the basis of a 99-year lease on a peppercorn basis to the organisation which is selected to take on the management."

Considerations

13. The panel, consisting of the Leader and Deputy Leader, Portfolio Holder (Cllr Ford), a local member (Cllr Summerfield) and the Chief Executive, agreed a process to hold a meeting with each interested party to assess what they were putting forward.
14. The panel met with the following organisations:
 - 5 June: Keystone Trust; Art Fund Project; Butterfly Project; Save Milton Country Park Campaign
 - 7 June: Co-housing Project; Red2Green; Cambridge Mencap; Cambridge Sports Lake Trust
 - 8 June: the National Trust; Cambridge Preservation SocietyThe meetings considered how the agencies would run the park, the business case / funding to support the proposals, the management to maintain its status as a country park, and the constraints or requirement on the Council.
15. The proposals put forward were very varied. Some were well-developed propositions while others were much more speculative. At the meetings some agencies including the Save Milton Country Park Campaign expressed their willingness to be a partner with whatever body was selected, but made clear given the other parties likely to be on the short-list, they had decided that they did not wish to be the lead agency at this time.
16. The panel concluded that there were three organisations whose proposals merited more detailed consideration. On 12 June Cambridge Sports Lakes Trust, Cambridge Preservation Society and the National Trust were invited to submit more detailed proposals by 10 July, so these could be considered by Council on 19 July. This timescale was set in order to enable a decision to be taken by Council before the agreed deadline on 31 August 2007 and to meet the concerns of the users of the park.

17. There was a further conclusion from the panel's meetings on 5-8 June following up widespread comments at the workshop in March. The consensus of the presentation by the charitable organisations was that the significant 'funding gap' between the current income and expenditure for the park presented an unacceptable level of risk without some funding from the Council or other parties. Although most accepted that the income could be increased, there was a need for the Council to reduce this shortfall. In view of the current net cost of running the park, and the on-going costs which the Council would face if it was closed, the panel concluded that a one-off payment of £250,000 was needed to attract offers for the management.
18. During June the three selected organisations prepared their proposals. There were a number of detailed matters which were raised in questions to officers, particularly on: the transfer of staff under TUPE regulations; the financial details behind the expenditure and income budgets; the access to and boundaries of the park; the water quality of the lakes; and the information available about any possible contamination of land from its previous use. Officers provided information in response to the questions, and discussions took place with our Human Resources team over TUPE.
19. Two bids were received on 9 July, from CPS and CSLT.
20. Unfortunately the National Trust concluded that they were unable to prepare a bid in the time available, after an exchange of correspondence in the penultimate week in which they requested further time. They also expressed a concern about the National Trust's capacity within the region to take on further property. A response was sent by SCDC suggesting that the Council would be likely to accept a proposal approved by the National Trust's Regional Committee, and still subject to Central Committee ratification. A letter of 10 July from the National Trust was received confirming that the park was considered at their Regional Committee on 6 July; there was strong support in their involvement with the future management of the park with emphasis on working in partnership with others. They would be happy to discuss how they could do this with either the Council or the selected organisation.
21. The proposal from CPS is a detailed document that reflects a very considerable amount of work that has gone into it. It emphasises the value of the park to the local community and proposes to maintain and enhance the current high standards, events and activities. The proposal emphasises how the park fits with their existing management of Wandlebury Country Park and the Coton Countryside Reserve. CPS has its own Rangers for these facilities and they would retain the two Ranger posts to maintain the park.
22. The CPS proposal clearly sets out a number of conditions to which the Council would need to agree. Unfortunately some of these conditions are not ones, which meet the terms agreed by the panel and set out in the documentation for the bidders. The three principal ones are:
 - (a) the Council would transfer staff under a compromise agreement under which they would be employed by CPS under CPS terms and conditions;
 - (b) the lease would include a break clause at approximately five-yearly intervals;
 - (c) the Council would provide a higher level of financial support, either as a large increase on the £250,000 one-off sum or by providing annual revenue support.
23. Each of these conditions presents a significant problem. The legal requirements of the TUPE process require the Council as the employer of the staff to transfer them on their existing terms and conditions. Failure to do so would open the Council to claims

of unfair dismissal that it would be unable to defend, and which would lead to large fines and legal costs. Unison has already raised concerns with officers about the potential transfer of staff to another employer, and have emphasised the requirements of TUPE on the Council.

24. A break clause after five years could lead to the park being handed back to the Council five years after the one-off payment of £250,000 had been made and spent. The higher level of financial support would not meet our requirements to end our financial liability for the park, or it would require a capital sum of millions of pounds, which is not available.
25. The offer from CSLT sets out how the management of the park would fulfil many of their objectives to serve the educational recreational and leisure needs of the community. They see a strong strategic fit with similar adjoining land, parallel management goals and shared expertise and overheads. CSLT have existing programmes and contacts that can be used as a basis for building activities that will provide a viable and self-sustaining revenue stream for the park.
26. With support from the Council's one-off £250,000 payment, CSLT propose to take on the existing staff and to manage the park with them plus assistance from volunteers and partnership organisations. They propose to add a new community and outreach manager in 2008 to handle the growing needs of programmes and services in the park. Their proposal meets the Council's requirements.

Options

27. The options available are limited. There are two offers from the organisations, which the panel have short-listed. One of these does not meet the terms required, and cannot, therefore, be considered a realistic option.
28. The Council could close the park. Alternatively the deadline could be extended in order to seek another organisation; however, it is unlikely this could be achieved.
29. The second option is to accept the offer from CSLT.

Implications

30.	Financial	<p>The successful transfer of the park will replace the Council's annual spending on the park, which is currently over £100,000 after income and excluding central overheads, with a one-off sum of £250,000.</p> <p>The park may be transferred to an organisation whose future funding may decrease or not materialise such that it can no longer finance the running of the park. There is a financial risk that the Council would then have paid out £250,000 with the park still in a vulnerable position</p>
	Legal	<p>The park will need to be independently valued, if the conclusion is that the park is being transferred at an undervalue the Council may require Secretary of State consent; however, as the potential sale of the park has been widely publicised and all potential bidders were interviewed in the process this appears a low risk.</p> <p>There is also a duty to place a Notice in the local press where the land is public open space. This could be carried out during the due diligence process.</p>

	<p>The licence with the County will need to be terminated and a lease agreement prepared. Draft Heads of Terms have been drawn up subject to contract, for the County to lease to South Cambs, enabling us to sublease with our own and the Stokes' land in a single package. The sub-lease granted to CSLT will need to match the lease terms of the land of which the Stokes family are the freeholder, i.e., that the land is to be used as a country park.</p> <p>The letting of the County Council land to the District Council at less than best consideration will need their Cabinet's approval, which is expected in September.</p> <p>The due diligence process will require a period of some months to enable all the terms of the lease to be finalised.</p>
Staffing	<p>Discussions have taken place with the Ranger staff about their possible employment by a new organisation. Formal consultation about TUPE transfer will be undertaken with them once a decision on the new manager has been taken. Under TUPE regulations staff have rights to transfer on their existing terms and conditions, subject to resolving the out of hours and tied accommodation issues currently under review. CSLT have stated that they will retain the existing staff structure subject to any changes implemented from the current review.</p>
Risk Management	<p>The lease / sub-lease will address the risks from the park's environment, including the lakes, which are currently the Council's responsibility. If the park were to close, considerable on-going work would still be required to reduce risks to an acceptable level, as would be likely to prove impractical to keep everyone out. There is financial risk with the CSLT proposal which could be mitigated through a clause in the Heads of Terms requiring the park to be returned to the current owners should for example CSLT ever be deemed bankrupt.</p>
Equal Opportunities	<p>The country park needs to provide equal access to all sections of the population.</p>

Consultations

31. The workshop held on 29 March 2007 was a process used to consult interested parties about the process used to find a new organisation to manage the park, and the process was altered to take into account the views expressed. The meetings with interested bodies on 5, 7 and 8 June was a further process of consultation.

Effect on Annual Priorities and Corporate Objectives

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| Affordable Homes | <p>The park offers a high quality, accessible countryside environment to the residents of South Cambs and Cambridge. With sustainable woodland and a programme of events it is an important resource for the village and surrounding area at a time when major growth pressures face the district. Leasing our land to CSLT, which is a charitable organisation, will help to develop services to existing and new users. CSLT have stated that they will work in partnership with a range of other organisations as part of their management of the park.</p> |
| Customer Service | |
| Northstowe and other growth areas | |
| Quality, Accessible Services | |
| Village Life | |
| Sustainability | |
| Partnership | |

Conclusions / Summary

33. The proposal from CPS is not one that can be considered for acceptance for the reasons set out in paragraphs 22 to 24.
34. CSLT have put forward a proposal that meets both the Council's and their own aims. It would continue to provide the existing amenity of the park, while expanding the activities available, particularly meeting the needs of young people. CSLT have a limited track record of running activities and the park presents an exciting and challenging opportunity for them to advance their sporting and educational aims.
35. CSLT was established in 1992 and has yet to secure all of the funding they need to realise their aim of establishing sporting lakes and there is some risk that they may not realise the necessary funding over the next few years. They have provided an indication of their future finances in confidence to the Chief Executive but their latest financial accounts show limited tangible assets and investments. They are committing themselves to running the park as a stand-alone financial operation that will take three to five years to achieve self-sufficiency. For this period they will support the park operation with significant levels of corporate sponsorship and donations.
36. The CSLT proposal presents an acceptable way to keep the park open.

Recommendations

37. Council is asked to agree:
 - (a) the selection of Cambridge Sports Lakes Trust as the preferred bidder for running Milton Country Park;
 - (b) that subject to due diligence by CSLT, the Council's land should be leased to CSLT for a peppercorn, on a 99-year lease, and the land leased from the Stokes should be sub-leased on a 99-year lease, all subject to the land being used as a country park;
 - (c) that at the appropriate time the Council gives notice to the County Council to end the current license and, subject to agreement by the County to lease their land to this Council, that we sub-lease it to CSLT on a 99-year lease for use as a country park, along with the SCDC land;
 - (d) as part of the terms of the agreement and lease above, to approve a one-off payment of £250,000 to CSLT to enable them to take on the responsibility of running the park; and
 - (e) that officers be instructed to pursue the necessary legal and other work to enable the transfer to take place in late 2007 or early 2008.

Background Papers: the following background papers were used in the preparation of this report: Milton Country Park Cabinet Reports of December 2006, March and April 2007
Information pack for the Workshop held on 29 March 07.
Letter from National Trust of 10 July 2007.
Proposal for the Future of Milton Country Park under the Management of Cambridge Preservation Society
A Vision to Revitalise Milton Country Park Prepared by Cambridge Sports Lakes Trust 6 July 2007.

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