

CABINET

Williamson Park Company Ltd 22nd January 2008

Report of Corporate Director (Finance & Performance)

PURPOSE OF REPORT

To consider the recommendations of the Williamson Park Board that met on 10 January 2008 in respect of their considerations regarding the future management arrangements of the Company. This item is urgent as it may have budget implications for the council that need to be considered as part of the 2008/9 budget process.

Key Decision

X

Non-Key Decision

Referral from Cabinet
Member

Date Included in Forward Plan

January 2008

This report is public

RECOMMENDATION

1. That Cabinet considers the recommendations of the Williamson Park Board in respect of the future management arrangements of Williamson Park.
2. That any proposed resolution should be 'in principle' only at this stage in order for further detailed work to be carried out and reported back to Members before a final decision is made.

REPORT

1.0 Background

1.1 Williamson Park is operated by the Williamson Park Co Ltd. This Company has been in existence since 1988 and was originally established to bid for European funds that weren't available to the City Council in order to repair the Ashton Memorial and adjacent buildings. The Company is a local authority controlled company consisting of a Board of 5 City Councillors supported by the Corporate Director (Finance & Performance) who acts as Company Secretary, and Democratic Services, who provide administrative support for meetings.

1.2 The Company employs approximately 50 staff, many on a casual or part time basis, who are line managed by the Park's General Manager. The manager is the only full time permanent officer of the Company and is employed directly by the City Council.

1.3 The Company operates to its own constitution, policy and procedures, and is supported by the City Council directly through the award of an annual revenue grant, approximately £170,000 pa, and other capital funding, as approved through the Council's capital programme.

1.4 In addition to the financial support outlined above, the Company also benefits from informal support from a range of City Council services that include Legal Services, Human Resources, Financial Services, Democratic Services, Cultural Services, and Information Services. There are no service level agreements in place for this support and recently, services supporting the Company have been under severe pressure to continue this informal support and deliver the priorities within their own business plans. No estimation of this informal support has been undertaken.

1.5 Since its inception, Williamson Park Co Ltd has achieved many improvements within the Park that include the repair and refurbishment of the Ashton Memorial, and many other of its buildings, structures, and pathways. Many of these improvements have been financed by successful European and Lottery awards. The Park continues to win accolades, the latest being the prestigious Green Flag Award, and is making progress to achieve its vision of attaining recognition as a site of horticultural excellence.

1.6 However, the Park is at a crucial stage in its development. Its 5 year business plan has identified that significant investment is required for the major redevelopment of its buildings if it is to increase its income generation potential and meets its objectives.

This drive for continuous improvement is now having an impact on the organisation resulting in operational management pressures. This in turn is also putting an increased strain and pressure on the informal support arrangements that are in place between the Company and the City Council.

The Board has recognised this and at their meeting on 10th January considered a report which offered options for the future management arrangements of the Park. In particular, the Board considered 2 realistic options, namely :-

- To retain the existing Company status but to formalise the support arrangements from the Council
- To seek approval from the City Council to bring the management and operation of the Park back into the City Council and discontinue with its company status.

1.7 Following full consultation with the Parks staff and the Friends of Williamson Park, the Board unanimously resolved to support option 1 and seek approval from the council to formalise arrangements for city council staff to continue to provide support to the Company.

2.0 Options & Options Analysis

To continue with the existing arrangements is not an option and therefore there are only 2 realistic alternatives

2.1 Option 1 - To Agree to the Request from the Williamson Park Board

This would mean Williamson Park retaining its existing company status but with support arrangements formalised through service level agreements.

As officer support to the Company has been on an ad hoc basis, there is no detailed record of the level of support that has been provided to date. This option would therefore require officers from both the Council and the Company to meet to scope and cost up the arrangements that would be required in order for the Company to achieve its business plan objectives.

Until this exercise has been undertaken, it is impossible to say if the Council would incur additional costs. If indeed the required support could not be provided from within existing resources or accommodated within service business plans, then it is certain that additional costs would be incurred.

2.2 Option 2 – Decide to dissolve the company and bring the operation back into the council.

This would mean dissolving the company and transferring the Parks staff and budgets to the City Council. In effect, the Parks operation would be subsumed into the Council's existing services. The Council would then be responsible for reviewing and delivering the Company's existing business plan objectives.

It is likely that the transfer of staff would take place under TUPE conditions and this transfer could incur costs in relation to any improvements in staff conditions of service that may be required.

Bringing the Company back into the Council would also require consideration of the same officer support requirements as referred to in option 1 but maybe not on the same scale.

It is further likely that the dissolution of the company would itself have costs attached but these have not been costed at this stage.

There is no preferred officer recommendation

3.0 Conclusion

In light of the referral from the Williamson Park Company, Cabinet is asked to consider which option it would wish to support.

RELATIONSHIP TO POLICY FRAMEWORK

Medium Term Objectives:

- To deliver value for money, customer focused services
- To make our district a cleaner and healthier place

Cabinet Priorities 2007/08:

- Improving the cleanliness of our streets and public spaces to make them more attractive and useable
- Implement the new Tourism Strategy for the district
- Continue efforts to integrate the Council's leisure and sporting facilities and cultural services generally to improve both financial performance and access for all sections of the community.
- Clarify the Council's role in the provision of facilities for children and young people and community development

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None arising from this report

FINANCIAL IMPLICATIONS

In addition to the informal (and as yet unquantified) support provided by various Council Services to the Company, the Council also awards an annual revenue grant. A total of £169,200 is currently built into the Draft 2008/09 General Fund Revenue Budget, with 2% annual inflation applied thereafter.

It has not been possible for Financial Services to make a full assessment of the 2 options identified within the main body of the report, however any additional implications arising for the Council can be worked up in more detail once Members have indicated their preferred option(s) and more information is available. This will also include a risk assessment of potential ERDF and Lottery grant clawback should the Company be dissolved and the Park come back to the Council, although this is expected to be minimal.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer would also highlight the need to consider making budget provision for any additional costs that may arise in 2008/09 and beyond.

LEGAL IMPLICATIONS

In the event of Option 1 being the preferred option Legal Services would continue to offer support on an ad hoc basis subject to suitable arrangements being agreed with the Company.

To pursue the other option would require further consideration of the provisions of both the Local Government and Housing Act 1989 and the Companies Act 1985 to ensure that the statutory requirements are satisfied to dissolve the company and transfer its assets to the Council.

MONITORING OFFICER'S COMMENTS

On the basis that Cabinet is making an "in principle" decision only at this stage, the Monitoring Officer has no further comments, but will comment further once more investigation has been carried out of the implications of Cabinet's preferred option

BACKGROUND PAPERS

None.

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