

# CABINET

## Pilot – Alternative Parks Management Model Highfield Recreation Ground

10 November 2009

### Report of Corporate Director (Regeneration)

PURPOSE OF REPORT				
To seek Cabinet's approval for a "Community Partnership Management Model" between Lancaster City Council and the Gregson Community Association in respect of Highfield Recreation Ground.				
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
Date Included in Forward Plan		October 2009		
This report is public				

#### RECOMMENDATIONS OF COUNCILLOR JUNE ASHWORTH

- (1) To approve the granting of a lease of Highfield Recreation Ground to the Gregson Community Association on terms to be agreed by the Head of Property Services, the Head of Financial Services, and the Head of Cultural Services.
- (2) To authorise the Head of Cultural Services to enter into a Service Level Agreement (SLA) with the Gregson Community Association to deliver services at Highfield Recreation Ground for the benefit of the local and wider community, subject to the approval of the terms by the Head of Legal and HR and Head of Financial Services.
- (3) That if Option 2 is agreed the General Fund Revenue Budget is updated during the current budget process.

#### 1.0 Introduction

- 1.1 Following adoption of the Parks and Open Spaces Strategy in 2004 [Minute 137 (04/05) refers], Cabinet on the 11<sup>th</sup> December 2007 received a Parks and Open Spaces Strategy - Update [Minute 80 (07/08) refers]. At that time Cultural Services was given approval to progress the "partnership" proposals in respect of Highfield Recreation Ground (community) and Happy Mount Park (commercial), with a view to bringing either or both proposals forward to a future meeting of Cabinet for final consideration and approval. This report brings forward proposals specifically in respect of a possible "community" partnership management model for Highfield Recreation Ground. Existing working arrangements in respect of the "commercial"

partnership management model (in respect of Happy Mount Park) have been in place for some years, and discussions about possible further development proposals are ongoing. Any outcome proposals will be forwarded to a future meeting of Cabinet for final consideration and approval.

## **2.0 Proposal**

- 2.1 Following from the above Cultural Services has been in dialogue with Highfield Regeneration Partnership (HRP), a friends group established by local users and residents whose aim is to regenerate the park at Highfield in Lancaster and increase usage by accessing external funding to improve the existing facilities and to deliver a new programme of activities for the whole community.
- 2.2 Initially, HRP was not a constituted group and had little or no experience of writing and submitting funding bids or managing large scale capital projects of this nature. However, as current users and residents they do have a vested interest in improving the park and are keen to be involved in this process.
- 2.3 Highfield Recreation Ground is currently managed by Cultural Services and maintained by CC(D)S, but it has been in decline for some years. The tennis courts are unusable, the pavilion is in serious need of repair and the park is generally in very poor condition and therefore under used. The report makes clear that the current level of maintenance is provided through CC(D)S, and would continue. All parties are aware that should the maintenance position change as a result of external capital funding, then any associated revenue costs would need to be considered as part of any external funding bids/agreements and fed into the annual review of the SLA, on the basis that no additional costs fall upon the Council.
- 2.4 There is a bowling club that use the park on a regular basis. However membership is also declining because of the poor condition of the park and problems with anti-social behaviour and juvenile nuisance issues in the general vicinity and this is having a negative impact on the Council's existing annual £400 income budget.
- 2.5 A couple of years ago Cultural Services assisted by project managing the provision of a small games area (half-court basketball and mini-football goal) and Teen Meet/Youth Shelter near to this park wholly funded by Community Safety Partnership grant, which has proved popular with children and young people. However, this on its own is not enough to address the issue of bored young people who complain of nothing to do.
- 2.5 HRP, Lancaster City Council's Cultural Services and Lancashire County Council have worked closely together to undertake consultation with the local and wider community with a view to establishing what it is people would like to see provided. This information has helped shape a plan for the park, produced for HRP by the County Council.
- 2.7 The plan sets out what improvements are required to bring the park back into use. This includes re-instating the tennis courts as Multi Use Games Areas where people can play tennis, basketball, netball and five-a-side football, improving the fencing/security of the park, improving disabled access/access in general (paths), installing a drainage system in the grass area next to the park so that football and other games can be played all year round and bringing back into full use the pavilion.

- 2.8 HRP also wants to encourage more groups/clubs and schools to use the new facilities and they want to develop new activities for the local community to take part in.
- 2.9 In order to achieve these aims it was important to recognise that external funding would need to be secured and that many funding opportunities are not always open to the local authority. With this in mind Cultural Services has encouraged the HRP to become a constituted group and have developed this group so that they have the potential to take a leading role in the future management and development of the park (HRP would be able to submit funding bids with Cultural Services support).
- 2.10 Working with Cultural Services and other City Council services, including CC(D)S and Property Services, issues around lease agreements, maintenance, public liability insurance, project management, writing funding bids, programming, booking systems, risk management etc. have been discussed in great detail. HRP are very keen to see the project develop but are also concerned about the scale of the project and the potential level of responsibility that they would be taking on.
- 2.11 With this in mind HRP entered into discussions with the Gregson Community Association (an existing, long-established, and successful Community Association) with a view to them taking on the lead responsibility for this project. After several meetings which included discussions with Cultural Services, HRP became a sub-group within the Gregson Community Association.
- 2.12 From that point, all further discussions have included representatives for the Board of Trustees of the Gregson Community Association and HRP. Cultural Services has developed a draft Service Level Agreement that clearly sets out what the Council expects of the Gregson Community Association in terms of managing Highfield Recreation Ground and what ongoing support the City Council would provide e.g. maintaining the park within existing budget levels. Property Services has developed proposed terms and conditions for a 20 year lease for the park at a peppercorn rent, as this is something that potential external funders would expect to see in place before they would consider any funding bid. Under the Council's Constitution the Head of Property Services has no delegated powers to grant a lease for land and property under the control of another Service Head.

### 3.0 Options and Options Analysis (including risk assessment)

The following options have been considered

Options	Approach	Advantages	Disadvantages	Risks
<b>Option 1</b>	Do not enter into a lease agreement or Service Level Agreement with the Gregson Community Association.	No additional work required.	<p>Park remains in very poor condition and continues to decline.</p> <p>Council on its own are unable to access external funding to improve the park.</p> <p>Park is under utilised by the local and wider community and the area continues to suffer from issues around anti social</p>	

			behaviour and vandalism.  Still requires staff time to manage the existing park and to maintain it.	
<b>Option 2</b>	Enter into a lease agreement and service level agreement with the Gregson Community Association.	Potential funding opportunities accesses to improve the park.  Use of the park increase at no additional cost to the Council.  More opportunity for young people to participate in positive activities resulting in a potential reduction in anti social behaviour and vandalism.	Some additional work required to manage the lease agreement and service level agreements, although partly offset by reduced operational management of grounds itself.	External funding can not be secured to improve the park.  Gregson Community Association terminate the agreement which might result in an issue of claw back for themselves in terms of external funding if any funding is secured and the potential for additional maintenance costs falling upon the Council.

#### **4.0 Officer Preferred Option (and comments)**

4.1 Option 2 is preferred as it will allow much needed improvements to the park to be achieved, subject to successful funding applications and will lead to an increase in the use of the park by local residents and the wider community. In turn this should contribute to addressing issues around anti-social behaviour and vandalism.

#### **5.0 Conclusion**

5.1 This project provides a first model of a park managed via a Community Partnership Model, as set out in the Parks & Open Spaces Strategy. If successful, subject to monitoring of the SLA, this may be a prelude to further similar projects that have benefits to the local community and the City Council.

#### **RELATIONSHIP TO POLICY FRAMEWORK**

This project supports the Council's priority "Support our local Communities" objective - To work in partnership with others to meet the differing needs of communities within our district.

#### **CONCLUSION OF IMPACT ASSESSMENT**

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

This project contributes to Community Safety, by addressing issues of anti-social behaviour and juvenile nuisance as well as Sustainability via partnership working.

## **FINANCIAL IMPLICATIONS**

If Members support option 2 and the 'Gregson' are successful in securing improvements to the park, then this could have funding implications in terms of an increase in future maintenance and renewal costs. The Service Level Agreement will clearly need to state that the Council must be able to pre-approve all funding applications in accordance with our own corporate internal appraisal arrangements and issues such as increased maintenance must be agreed at this stage by both parties. At this time although it is expected that the Council will continue to provide maintenance support within existing budget levels (approximately £8,500 per annum), any additional costs will need to fall upon the 'Gregson' and / or external funders. The annual review of the SLA will include the potential for the Council to reduce its maintenance liability in the future subject to the success of the 'Gregson'.

The income currently taken from the bowling club (approximately £400 per year) would be lost as all income taken at the park would be retained by the Gregson Community Association and re-invested back into the park. Again this would need to be monitored as part of the annual review of the Service Level Agreement. The General Fund Revenue Budget will also need to be updated accordingly as part of the current budget process. It should be noted however that the Council risks losing this income source in any case as the grounds continue to deteriorate.

On the basis that the Council will lease the Highfield Recreational Ground to the 'Gregson' at a peppercorn rent there will be VAT implications for the Council arising from subsequent capital works carried out by the 'Gregson'. Although a VAT registered charitable organisation, the 'Gregson' will need to obtain their own independent VAT advice prior to entering into any contractual agreement so that it is clear whether they are able to recover all related capital VAT expenditure or whether it needs to form part of the overall capital funding bids. Cultural Services have discussed this element with the 'Gregson' and they are aware of their responsibility to do so and indeed have experience of this issue with previous community type projects they've undertaken.

In relation to the proposed lease arrangements there are several factors to consider, particularly in the light of the change to International Financial Reporting Standards (IFRS) from 2010-11 onwards. This requires that the land and building elements of any lease are split and considered separately. The land element would form an operating lease which poses no additional accounting issues for the Council. The building element may be treated as a finance lease. This would have the consequence that it would come off the Council's balance sheet to be replaced by a long term debtor. This would influence the ability to use the lease income relating to the buildings, which would be classified as part interest payment and part capital receipt. However, this classification will depend on the value of the lease payments and where the balance of risks and rewards relating to the buildings sits, all considered in the context of the building's useful economic life. Property services would need to give a fair valuation of the land and buildings on the site, as well as an indication of the remaining life of the buildings at the inception of the lease, in order to perform this classification.

It is also recommended that the content of the Lease and SLA agreements are agreed with the Head of Legal and HR and Head of Financial Services prior to contractual commitment being entered into to ensure that the Council is protected regarding relevant legal and accounting transactions and that there is appropriate consultation with both Services in relation to annual review of the SLA thereafter.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments to add.

**LEGAL IMPLICATIONS**

The comments made in the final sentence of the Financial Implications of this report concur with the views of Legal Services in respect of the preferred option.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and her comments incorporated in the report.

**BACKGROUND PAPERS**

None

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