

CABINET

Williamson Park Progress Report 27 July 2010

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT			
To update Members on the transfer process of Williamson Park to the City Council including an update regarding financial performance and to request members to consider establishing a Parks Cabinet Liaison Group.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>
Date Included in Forward Plan		N/A	
This report is public			

RECOMMENDATIONS OF COUNCILLOR ASHWORTH

- (1) That Members note progress on the transfer of Williamson Park to City Council
- (2) That Members note that further work is being carried out with regard to both Williamson Park and the management of all parks across the district aimed at identifying and delivering efficiency savings.
- (3) That Members consider establishing a Parks cabinet liaison group

1.0 Introduction

- 1.1 The purpose of this is to highlight the issues that have been addressed during the ongoing transfer process for Williamson Park back to the City Council and informs Members of last financial year's performance.

2.0 Report

- 2.1 The Park is currently being managed by officers from within the Council. Staff at the park are currently employed on Williamson Park Company terms and conditions.

Transfer of Williamson Park to City Council

- 2.2 Progress with the transfer continues and officers from various services within the Council are part of the project team. Support and advice from Scott and Wilkinson (Williamson Park Company accountants) is also being provided to ensure the transfer is handled appropriately from both parties perspective.
- 2.3 As previously reported to Cabinet (22nd June 2010) officers are working towards an August / September timetable for the company to formally cease trading and transfer responsibilities for all aspects of management to the City Council. On the 8 July the City Council wrote to the Board Members of Williamson Park Limited seeking their agreement via three resolutions to the dissolving of the company (see Appendix A)
- 2.4 Upon transfer, Williamson park staff will remain on their existing terms and conditions until such time as a proposed review of parks management is complete and a clearer picture is provided as to how further efficiencies may be introduced. (see sections 2.11 – 2.16)

Financial Performance 2009/10

- 2.5 The forecast outturn for 2009/10 was expected to result in a breakeven position, however the final position as set out in company's draft accounts show that a surplus of £48.4K has been achieved. The main positive variances relate to :

	£'000
• Café Income	£15.9
• Staff Salary Savings	£11.9
• Butterfly House Ticket Sales	£2.5
• Event Ticket Sales	£4.3
• Car Parking Income Increased	£1.7
• Depreciation less than budget	£3.0
• Other Miscellaneous Items	<u>£9.1</u>
	£48.4

- 2.6 The table below provides the Council's own analysis of the budget and performance against individual headings up to the end of March (taken from the Park's Sage accounting system and rounded to the nearest £100):

SUMMARY OUTTURN STATEMENT

	Budget £	Outturn £	Variance £
Employees	271,800	259,200	-12,600
Transport	5,400	3,000	-2,400
Premises	24,600	19,600	-5,000
Supplies & Services	144,500	140,800	-3,700
Horticulture	28,500	29,500	1,000
Total Expenditure	474,800	452,100	22,700
Ticket Sales	104,400	111,200	6,800
Retail Sales	142,800	158,700	15,900
Other Income *	73,900	73,900	0
Total Income	321,100	343,800	-22,700
Net Surplus / (-) Deficit	-153,700	-108,300	45,400
LCC Revenue Grant	171,700	171,700	0
Cumulative Surplus / (-) Deficit After Grant	18,000	63,400	45,400
Less Depreciation	-18,000	-15,000	3,000
TOTAL SURPLUS / (-) DEFICIT	0	48,400	48,400

* Other income includes items such as car parking, weddings, lodge rents, The Dukes and other special events, donations, bequests, etc.

- 2.7 This turnaround in performance is as a direct result of the interventions of the City Council. This has also been aided by reducing certain operations e.g. the butterfly house closed for 3 months during the winter season and only urgent repairs and maintenance have been carried out in other areas of the park.

Cabinet Liaison Group

- 2.8 Cabinet, at its meeting on 20th January 2009, resolved that:

‘Arrangements be made for member involvement in the future of the park (Williamson) for the first year of implementation’. (Min 134 (3) refers)

- 2.9 Members now have an opportunity to consider establishing a Parks Cabinet Liaison Group to work with officers involved in the management of all of the parks across the district. The introduction of such a liaison group would provide members and officers with the opportunity to engage with local communities and friends groups.
- 2.10 If established Cabinet will need to determine the terms of reference for such a group in accordance with the council's constitution.

Parks Management

- 2.11 Transfer of Williamson Park back to the City Council has already provided a number of efficiency opportunities that has helped deliver financial savings and improvements to the way that the park is managed. The City Council is responsible for the grounds maintenance and management of a number of other parks which in some cases also include management of concessionaires. At present each park has its own separate and individual circumstances in relation to how it is managed and officers are keen to explore options for improvement and efficiency.

- 2.12 Williamson Park is currently being transferred back to the City Council and has a team of staff who are multi skilled and undertake a range of duties including but not limited to: café operation, butterfly house, zoo, staging of weddings, and events as well as general maintenance work. Grounds maintenance is undertaken by a combination of both park staff and the City Council's Environmental Services team (mainly grass cutting). There is a friends group in existence and this group have previously accessed funding streams that were not open to the company. It is hoped that that this group will continue to work closely with the Council.
- 2.13 Happy Mount Park is managed by Community Engagement (Wellbeing) staff and grounds maintenance work is undertaken by Environmental Services. There are two concessionaires who operate within the park. The splash park and new adventure play area are managed by Community Engagement (Wellbeing).
- 2.14 Regent Park has a concessionaire who operates the café and the park is managed by Community Engagement (Wellbeing). Grounds maintenance is undertaken by Environmental Services.
- 2.15 The Council has responsibility for a number of other parks, recreation grounds and open space generally including the promenade and officers are keen to explore the potential of maximising efficiencies whilst offering a public service that continues to deliver on key corporate priorities (Partnership Working and Economic Regeneration – "Heritage and Cultural Tourism).
- 2.16 Officers intend to explore further, current levels of service provision and ensure that resources are allocated to areas of most need. This would include but not be limited to exploring how parks generally are managed and the level of resources available to ensure minimum acceptable standards of operation are delivered from a health and safety / customer service perspective. Any proposals for change will be the subject of further reports to Cabinet.

3.0 Details of Consultation

- 3.1 Staff at the park have been consulted with regularly and informed of progress through team meetings and updates from managers within the Council, including Human Resources. Trade Unions have also been involved and kept up to date.
- 3.2 Discussions have also taken place with officers from Environmental Services to help ensure the integration of Williamson Park is achieved efficiently and such further discussions will help influence the improvement agenda as referred to in section 2.15 of this report.

4.0 Options and Options Analysis (including risk assessment)

- 7.1 This report sets out two options.

Option 1

Members note the contents of the report and approve the general future direction being suggested including the establishment of a Williamson Park Cabinet Liaison Group.

Option 2

Members do not approve recommendations of this report .

8.0 Officer Preferred Option (and comments)

8.1 Option one as this will enable an effective transfer to take place; offers the opportunity to offer further improvement and strengthens member and community involvement in helping to shape the future of the Park.

9.0 Conclusion

9.1 Williamson Park whilst operating as a company was deemed to be not offering value for money from both a customer and council perspective. More recently the operational and financial position of the Park has improved significantly and as last years outturn demonstrates it is now operating more efficiently particularly from a financial perspective.

9.2 This report has set out the financial improvements and offers the opportunity for officers to further improve the management of parks generally upon transfer by exploring additional efficiencies and reporting more detail to members prior to implementation.

RELATIONSHIP TO POLICY FRAMEWORK

A well managed Williamson Park supports and contributes to the delivery of Corporate Plan priorities including Economic Regeneration, Climate Change and Partnership working.

CONCLUSION OF IMPACT ASSESSMENT

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

A well managed Williamson Park will have positive impacts in respect of sustainability and social cohesion.

FINANCIAL IMPLICATIONS

The Council created a new provision totalling £100K during 2008/09 to cover anticipated accumulated losses for Williamson Park Ltd. As the company is wholly controlled by the City Council, provision must be made for any potential losses arising. The Company's draft financial position for the period ending 31st March 2010 reported a net liability of £38.6K, a reduction of £61.3K compared to the £99.9K reported for the previous accounting period ending 31st March 2009. It is expected that there will be some costs associated with the transfer, however these have not yet been fully quantified. This includes expenditure items such as final audit fees, potential VAT implications arising from transfer, potential contract re-negotiation costs with creditors, company dissolution fee, etc. It is not expected that these will be significant however, and should be contained within either existing 2010/11 Park budgets and/or use of provision.

Recommendations 2 and 3 provide potential for further operational and financial efficiencies regarding the future management of Williamson Park once fully integrated with the Council's systems as well as for other parks/open spaces currently managed by the Council.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comment.

LEGAL IMPLICATIONS

None directly from this report. All contractual liabilities and employment matters are to be addressed during the takeover by the Council.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comment.

BACKGROUND PAPERS

None

Contact Officer: Simon Kirby

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APPENDIX A

To: Directors of Williamson Park Board

Democratic Services

Gillian Noall
Head of Democratic Services

Town Hall
Dalton Square
LANCASTER LA1 1PJ

DX63531 Lancaster

8th July 2010

Dear

DISSOLUTION OF WILLIAMSON PARK LIMITED

In order for Williamson Park Limited to be dissolved and for the operation of the Park to return to the City Council's full responsibility, the attached resolutions need to be approved by Directors of Williamson Park Board.

I would, therefore, be grateful if you could sign one copy of the attached form and return it to me in the enclosed stamped addressed envelope.

Yours sincerely,

Encs.

To: Directors,
Williamson Park Board.

DISSOLUTION OF WILLIAMSON PARK LIMITED

In order that Williamson Park Limited be dissolved and the operation of the Park return to City Council responsibility, I hereby approve the following resolutions:

1. By Ordinary Resolution

That the lease from Lancaster City Council dated 27th January 1993 be surrendered early at a date to be agreed between the parties. At the same date, all trading and other operations be terminated and transferred to Lancaster City Council or such organisation nominated by them.

2. By Special Resolution

That following the surrender of the lease dated 27th January 1993 from Lancaster City Council and the transfer of all operations, the company be dissolved and an application made to the Registrar of Companies for the Company name to be struck off the register.

3. By Ordinary Resolution

That following discharge of the Company's liabilities and the costs of bringing its affairs to an end, the Directors be authorised to distribute any remaining assets. In accordance with clause 9 of the Articles of Association, Lancaster City Council be determined as the institution to receive such remaining assets.

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