

Agenda Item No: 10

Report to: Cabinet

Date of Meeting: 31 March 2014

Report Title: Combe Valley Countryside Park Future Management

Report By: Virginia Gilbert
Head of Amenities, Resorts and Leisure

Purpose of Report

To outline future governance arrangements for Combe Valley Countryside Park (CVCP)

Recommendation(s)

- 1. That Cabinet support continued discussions leading toward the formation of a community interest company(CIC) to carry forward the development of the Combe Valley Countryside Park.**
- 2. That HBC assumes interim administrative support for the park project from 1st April 2014.**

Reasons for Recommendations

The future of local authorities' funding support for the park is becoming increasingly uncertain. The current park management board has recognised the need for new management and development arrangements for the Park going forward from 2014 . It is the view of the management board that the creation of a community interest company will provide continuing stability for the development of the park and open up new avenues for grant funding, Section 106 planning contributions from North Bexhill and the development of income streams.

Introduction

1. The Combe Valley Countryside Park (CVCP) project is a partnership between Hastings Borough Council (HBC), East Sussex County Council (ESCC) and Rother District Council (RDC). Its purpose is to manage and promote the strategic gap between Hastings and Bexhill.
2. The Project's strategic direction has been overseen by a Management Board consisting of two Elected Members from each of the three authorities plus a member of the Crowhurst Parish Council. The chair is held in rotation by Hastings, Rother and East Sussex; the current chair is HBC Councillor Emily Westley.
3. Each of the three local authorities contributes £19,410 per year to cover the following core activities;
 - a. HBC - Ranger services
 - b. RDC - Administration services and Community Development Officer for 2 days per week
 - c. ESCC - Events programme management, landscape technical expertise and project management
4. In addition, East Sussex holds Section 106 sums (from Biffa and Southern Water) of £407,000 for the sole purposes of managing and maintaining the park. The S106 funds have to be fully allocated by 2016/17.
5. ESCC will not continue its financial contribution for operating revenue beyond March 2014. Hastings has agreed their contribution for 2014/15 as has Rother. However, Rother has indicated that this will be their final contribution; it is made on the basis that it will support the development of a new management body. Rother will, however, ensure that contributions to the park are considered within any new planning contributions arising from North Bexhill developments.
6. In light of the change in funding, the park's Management Board has adopted a spending plan for the existing S106 funds which will ensure continuity for the next three years by provision of a part-time Ranger and a part-time Development Officer, support for the events programme and capital contributions to emerging infrastructure and interpretive improvements.

Future Governance Arrangements

7. Whilst the use of S106 funds will protect the basic services outlined above, it does not provide support for the continuing management and development of the park project. The loss of the local authorities' contributions has prompted a re-evaluation of the future governance arrangements and management of Park. In 2013 the Management Board appointed Groundwork Trust to outline options for future governance and management taking into account reduced levels of funding. This work was paid for by Groundwork who matched the local authorities £19, 410 contributions during 2013/14.

8. Groundwork Trust has drafted a new master plan for the development of activities in the park. This document, when completed and agreed by the partners, will form the basis for seeking grants and S106 contributions as well as introducing new assets within the park, such as a visitor centre, which can produce income to fund continuing development.
9. The Trust outlined three options that were available to the Park and recommended the formation of a Community Interest Company as the most effective vehicle for the park management and governance going forward. The summary options outlined by Groundwork are outlined in Appendix 1.
10. The results from Groundwork's analysis were presented to the Combe Valley Countryside Park Management Board on 21st February 2014. The Management Board recommended;
 - a. That the formulation of a prospectus for a new company should form the basis of continuing discussions about alternative arrangements for governance by current Management Board partners within their own organisations. The aim is to reach a conclusion by the end of September 2014 at the latest.
 - b. That the Combe Valley Countryside Park Management Board be dissolved on 31 March 2014.
 - c. As from the 1 April 2014 a Shadow CVCP Board shall be convened by Hastings Borough Council and Groundwork, to include two elected members from each constituent local authority (Hastings Borough Council, Rother District Council, East Sussex County Council) and one member each from Crowhurst Parish Council and the Sussex Wildlife Trust. This will be the founding group who will then invite new stakeholders to join the Shadow Board as future arrangements are formulated.

Features of a Community Interest Company

11. A Community Interest Company is a company limited by guarantee to ensure its directors are not exposed to personal liability. Furthermore, a CIC;
 - a. Is relatively straightforward and cost-effective to set up and run
 - b. Encourages an entrepreneurial approach to management and generating income
 - c. Enables flexibility in the event of changing circumstances
 - d. Includes a mechanism for safeguarding funding and potentially other assets (e.g., land and buildings) made available to deliver the company's objectives.

Implications for HBC on Future Governance

12. Hastings Borough Council is a major landowner in the Park, which is also the main focus of our sports pitch provision. The final version of the prospectus will need to be considered by Cabinet before adoption.

13. As the existing Management Board will be effectively dissolved from 31st March 2014, officers proposed that Hastings host an interim shadow Management Board. The shadow Board will meet as required to develop the prospectus and other operating arrangements.
14. Although ESCC will not contribute financially, they will manage the S106 funds for the coming three years prioritising the work outlined in section 6 above.
15. Hastings has agreed to fund the Combe Valley Countryside Park project for 2014/15 at the same level of contribution and Rother have agreed to contribute their £19,410 directly to Groundwork Trust to facilitate the work required to move to new governance arrangements by September 2014.
16. As Rother will no longer contribute to the administration of the Park and its meetings, we are proposing that Hastings host the meetings and undertake interim administration.
17. Groundwork's aim is for the new company to be self financing for 2015/16.

Conclusions

18. With reduced levels of funding in the forthcoming fiscal year, the CVCP project must seek alternative arrangements for funding and governance.
19. The Biffa/Southern Water S106 monies have been profiled to keep the park running through to 2016/17 .
20. The Combe Valley Countryside Park Management Board have assessed future management and governance arrangements and recommended that Groundwork undertake further work up until September 2014 to develop a Community Interest Company.
21. Hastings will host a shadow Management Board of elected members until the new governance arrangements are completed.
22. From 2015/16 Rother will no longer contribute revenue funding to the project. Hastings will review its position as its 15/16 budget is formulated. The CIC proposal aims to become self sustaining by the end of 2014/15.

Recommendations

23. That Cabinet support continued discussions leading toward the formation of a community interest company(CIC) to carry forward the development of the Combe Valley Countryside Park.
24. That HBC assumes interim administrative support for the park project from 1st April 2014.

Wards Affected

Hollington, West St. Leonards

Area(s) Affected

North St. Leonards, South St. Leonards

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No

Background Information

Appendix 1 Summary of options for future governance of Combe Valley Countryside Park

Officer to Contact

Officer Name Murray Davidson
Officer Email Address mdavidson@hastings.gov.uk
Officer Telephone Number 01424 451107

Appendix 1

Summary of options for future governance of Combe Valley Countryside Park

Option	Advantages	Drawbacks/risks
1. Hosted by an existing organisation	<p>Relatively quick and cheap to implement</p> <p>Assumes there is an organisation willing to take on the role</p>	<p>Lack of independence a major barrier to securing new partners and resources</p> <p>Future of Park 'at hostage' to health of the host</p> <p>Could raise potential internal conflicts of interest, in bidding to external funding sources</p>
2. Independent charitable company	<p>Familiar, tried-and-tested legal structure</p> <p>Charitable status confers financial benefits</p>	<p>Will need a subsidiary company to trade without restrictions, adding to complexity and cost unnecessarily</p> <p>Attaining charitable status will take many months, beyond the agreed timetable for implementation</p>
3. Community Interest Company with outsourced delivery	<p>Has the most robust mechanism for holding income and assets in trust on behalf of its members</p> <p>Offers optimal legal basis for trading for public benefit</p> <p>Relatively quick and cheap to register, with commensurate costs for accounting and reporting year-on-year.</p>	<p>Less well-known legal format – reassurance needed for some potential members</p> <p>Doesn't have the same favourable tax status as a charity directly but this can be achieved via delivery outsourced to charitable partner such as Sussex Wildlife Trust or Groundworks Trust</p>