

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	12 December 2013
Title:	Transforming our Country Parks – Case for Future Investment
Reference:	5362
Report From:	Director of Culture, Communities and Business Services

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1. Executive Summary

- 1.1. The purpose of this paper is to seek approval for the development and implementation of a phased programme of investment to transform and renew Hampshire County Council's Country Parks. It identifies the significant strategic value of these high profile legacy assets together with the opportunity to modernise and improve them to meet the changing demands of a new generation of customers.
- 1.2. The Executive Member for Culture, Recreation and Countryside has indicated his strong support for the proposals outlined in this report and is due to consider a report at his Decision Day on 4 December 2013.
- 1.3. Country Parks provide a unique opportunity to protect and sustain, not only premium quality countryside, but also wider public access to experience and enjoy. In relative terms, only a modest capital injection is required to achieve the necessary improvements that will underpin the drive towards a sustainable Revenue Reduction Programme coupled with increased income potential. This proposal will build upon the County Council's strong tradition and track record of strategic asset management over many years.
- 1.4. The proposed investment plan is appended to the report and provides more detail upon the context and detail of the proposals across the sites. To achieve good value for money the requested capital contribution is almost identically matched by use of existing assets and external funding, including working with potential partner organisations. Executive Member approval is requested to include the capital investment identified in the formal consideration of the County Council's forward capital programme.

1.5. This paper seeks to:

- set out the background to the project
- consider the financial implications of the proposed programme
- highlight the impacts the project would make on the performance of the County Council's Country Parks
- consider some of the key issues associated with the proposal
- identify the next steps in taking the project forward

2. Contextual information

- 2.1. Hampshire County Council's country parks - Lepe, Royal Victoria, Queen Elizabeth, Staunton, Manor Farm and Titchfield Haven National Nature Reserve have, for over forty years, provided people with safe, high quality opportunities to experience and explore Hampshire's countryside. For a generation of Hampshire residents, they have been a part of their life since childhood. Between them, these parks currently attract over 1.2m visitors a year and the feedback and reviews are consistently good – all the country parks have, this year, been awarded the national Green Flag Award which recognises the quality of the park, its management and the involvement of the local community. Many people are prepared to invest their own time to help, with over 12,000 volunteer days recorded at the parks during 2012/13. The health and wellbeing benefits of enjoying the countryside are well known and for many people this is the main motivation for their visit.
- 2.2. Taken together, the Country Parks provide a unique opportunity to protect and sustain, not only premium quality countryside, but also wider public access to experience and enjoy it. The Country Park at Lepe is part of a world class environment in the Southern part of the County and situated in one of Hampshire's two great National Parks. Royal Victoria Country Park sits beside one of the largest urban conurbations in the region and Staunton Country Park is unique in that it lies adjacent to and enriches one of the most deprived areas of Hampshire. To the East of the County, Queen Elizabeth Country Park offers a key gateway to the South Downs National Park and Titchfield Haven, with its international conservation designation, provides a similar role in one of the undeveloped parts of Southern Hampshire. Manor Farm Country Park, next to the River Hamble and the site of BBC 2's 'Wartime Farm', provides a fantastic and well loved green 'island' in a heavily developed part of the County.
- 2.3. Despite the popularity of the parks, it is clear that they are showing their age and the facilities offered to the public are not keeping up with today's needs and expectations. The time is right to ensure the parks remain relevant to a new generation, to build on the legacy inherited and to ensure that they have a financially viable future. The strategy at Appendix 1 makes the case for investment to deliver significant improvements in the service the parks provide for Hampshire residents and visitors, both now and in the future. The strategy seeks to bring more people into the parks, not just as customers, but as volunteers and as active stakeholders. It aims to maximise

inward investment and partnership funding in order to bring the greatest possible added value to the programme. The County Council's Country Parks require, in relative terms, only a modest capital injection over the next five years. This capital injection makes it much more likely that a sensible revenue reduction programme can be sustained and that future potential revenues will increase. Moreover, the County Council has had a strong tradition of strategic asset management and in this case relatively modest levels of capital investments will maintain and improve the assets throughout their life, ensuring that their benefits are both protected and enhanced for future generations. It would not be possible to sustain a more commercially sensitive revenue strategy for the parks without adequate levels of capital investment.

- 2.4. Figure 1 in the strategy shows that over the past three years, through strong cost reduction plans and solid income generation, the net operating costs of the parks have been more than halved. This has been largely achieved through realising the income potential of the existing assets. Currently the visitor income derived from parks is £1.8m, feeding into Hampshire's vibrant £2.67bn visitor economy and a national figure of £115bn. However, continuing the trend of increasing income and reducing the operational budgets of the parks to zero will require an improved offer to the public. Establishing and maintaining these sites as popular year-round destinations will require facilities and activities which meet people's needs and which compare favourably with alternative ways for them to spend their leisure time.

3. Finance

- 3.1. The strategy at Appendix 1 describes an ambitious £12.9m plan to transform the parks over a five year period. £4.2m of this would be realised via external funding and through major contributions from partners. This includes a bid for £1.6m which has been submitted to the Heritage Lottery Fund to transform the visitor facilities at Royal Victoria Country Park. Part of the strategy for investment is based upon a review and release of property assets within the Countryside Service and wider Culture Community and Business Services Department. A realistic target for this is estimated at a figure of £3 million. Alternative uses, which can derive a greater income to support the parks, will also form part of this review focussing upon those properties which are not essential for service delivery and which may be suitable for release. Subject to the confirmation of the capital programme allocation, this report seeks the Executive Member's approval to re-invest 100% of any such capital receipt in the parks. It is anticipated that the bulk of this capital receipt would be realised during the first year of the programme. The remaining balance required to deliver the investment strategy would be £5.7m over the five year period. This proposed site by site programme is detailed in the investment plan at Appendix 2. The table shows the timing and size of the main areas of proposed investment against the receipts from the sale of assets and external funding over the five year life of the programme. The Council's capital contribution is almost identically

matched by use of existing assets and external funding, hence providing good value for money in terms of our future capital investment.

- 3.2. Although the needs of the parks differ, the funding would transform and modernise the 'offer', keeping sites busy all-year round and ensuring the visitor experience was of the highest quality, thereby enhancing the customer experience and their perception of County Council run services.
- 3.3. The strategy would aid the current drive to see the removal of the cash limited budgets of all the parks by 2016 – a saving of £500,000 a year to the Council. The Revenue Summary Appendix 2 provides an indication of how this will be achieved over the 5 year period. These indicative figures show a net operating surplus in Year 4. It is proposed that any such surplus will reduce the draw down on capital from the programme.
- 3.4. The strategy would also remove the need for any major capital repairs or improvements to the sites' properties for five years after completion enabling £150k-£300k a year to be reallocated.
- 3.5. Budgetary provision would need to include an element of time limited project management costs, since the scale and complexity of the work cannot be delivered through existing resources. This has been included in the figures presented in the attached investment proposals (Appendix 2 - Investment Plan).

4. Performance

- 4.1. Key performance indicators for the country parks, as set out in Figures 1 to 4 in the strategy, show a year on year increase in income and visitor numbers together with significant cost reduction. This performance has been robust despite a time of significant recession and sector pressure. However, sustaining this trend and maintaining a high profile and reputation for Hampshire County Council will be dependent upon the quality of the service provided and the ability of the parks to encourage new and return visits through the provision of new facilities and attractions. This investment would underpin the current ambition to see the parks as operationally self-financing by 2016.
- 4.2. The quality of the experience for the public and the ability to explore and learn about the countryside in a safe environment is also key to measuring the success of new investment. The parks must change and develop in order to enable people to enjoy the outdoors and to gain the physical and mental benefits from doing so. The parks must remain at the heart of their local community and offer people the facilities and activities which encourage people to get out and to socialise.

5. Other key issues

- 5.1. The high level figures for income projections in Appendix 2 are indicative based on past experience and evidence, in which we have considerable

confidence. Further work is required to refine these and produce more detailed income and cost projections as part of the business case.

- 5.2. Strong partnerships with funding partners are already in place, with a good track record of delivering service improvements. The County Council has demonstrated its ability to develop effective external funding applications, including several major successful applications to the Heritage Lottery Fund. In addition to this, opportunities for effective business partner and franchise propositions will be actively considered as the programme is developed.
- 5.3. The parks have a potentially significant role towards unlocking planning processes and enabling appropriate development in the county to proceed. The parks can provide new residents with the much needed high quality, easily accessible green space and, in doing so, can benefit from new sources of income towards management and operational costs arising from the additional use. In these locations the County Council's ownerships are important strategic assets. The Country Parks also provide much needed green space and contribute more widely to the countryside that makes up one of the rich characteristics of Hampshire. Indeed, arguably, as development pressures grow over the next couple of decades, the importance of the Country Parks grows accordingly and provides a much needed balance to the pressures that come from new development in the County and contribute to a more vibrant economy.
- 5.4. There are risks associated with the timing and level of funding from external sources and the sale of assets. In the event that any of these fail to be secured as expected, then priorities and timing will be re-assessed and funding apportioned accordingly.
- 5.5. During the implementation there will inevitably be some disruption to the public. Wherever possible, works will be phased to allow access to areas of the parks or nearby alternative venues. Consultation and on-going communication with customers and stakeholders will be key to keeping this disruption to a minimum and limiting the impact upon those businesses operating within the parks.

6. Future direction

- 6.1. If the County Council approves the capital programme allocation, programme governance and management arrangements will be established to enable the start of implementation works from Spring 2014.
- 6.2. Discussions with partners and external funding proposals can then be developed with the benefit of a clear commitment from the County Council to see these assets transformed.
- 6.3. The programme of asset realisation can be progressed with a view to disposing of the majority in 14/15, subject to legal and market conditions.

- 6.4. A report on the implementation of the strategy will be provided to the Executive Member Culture, Recreation and Countryside and Executive Member Policy Resources on an annual basis.

7. Recommendation(s)

That the Executive Member for Policy and Resources:

- 7.1. Endorses the strategic value of these facilities and the case for investment to transform and modernise the Country Parks to meet the needs of Hampshire's communities and visitors, and to protect the County's cultural heritage and natural environment.
- 7.2. Subject to the production of a satisfactorily detailed business case, supports the inclusion of the Country Parks Transformation Programme, including further detail on the associated revenue implications in the consideration of the County Councils forward capital programme and formal budget setting process. This will include consideration of the optimum timing and weighting of capital investment to achieve the best outcome for the programme.
- 7.3. Subject to approval by the County Council of the necessary capital allocation, approves the disposal of property assets within the Culture, Communities and Business Services Department, the total value of which will be re-invested in support of the transformation programme
- 7.4. Endorses proposals to prioritise efforts to secure inwards investment through grant applications and partnership funding and the commencement of programme management arrangements immediately upon confirmation of any capital allocation.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. Detailed Equalities Impact Assessments will be undertaken for each major part of the implementation of the strategy. The intention of the transformation strategy itself is to improve the year-round offer provided by the country parks and as such will be an improvement for all.

2. Impact on Crime and Disorder:

- 2.1. No significant impact.

3. Climate Change:

- 3.1. How does what is being proposed impact on our carbon footprint / energy consumption.

The strategy aims to improve safe and easy access for the public to the countryside close to where they live. Although the strategy acknowledges that many people will continue to travel by car, for some, the improvements to paths and trails, together with some increased car parking charges with a better enforcement regime, may persuade people to travel by means other than by car.

- 3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

One of the main proposals is to re-locate the main buildings and car park of Lepe Country Park to avoid the now regular flooding problems which are associated with sea-level rise and coastal retreat.