

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	20 October 2015
Title:	Country Parks Transformation Update Report
Reference:	6939
Report From:	Director of Culture, Communities and Business Services

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1. Executive Summary

- 1.1. This report presents the next stage of the Country Parks Transformation Programme (CPT). It outlines specific proposals for Lepe and Royal Victoria Country Parks.
- 1.2. The Country Parks Transformation programme is a once in a generation opportunity to transform the County Council's country parks in order for them to remain relevant to current and future visitors; deliver significant improvements; maximise investment and partnership funding; and collectively become operationally cost neutral. Without an adequate level of capital investment, the facilities at the parks will deteriorate resulting in decreased visits and income.
- 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 and a reduction in property maintenance costs. This programme will build upon the County Council's strong tradition and track record of strategic asset management, ensuring that the benefits the parks bring to Hampshire residents are protected and enhanced for future generations.
- 1.4. The Executive Member Policy and Resources approved the programme in December 2013 and a capital investment from Hampshire County Council of £5.7m; to match a £3m capital target from the sale of countryside assets and a minimum contribution of £4.2m from partner and grant funding.

- 1.5. The project to transform Lepe Country Park now requires an allocation of £2.7m from the approved Policy and Resources capital programme of £12.9m. This will deliver a new, sustainable visitor centre with café, staff accommodation and investment in the wider park.
- 1.6. Royal Victoria Country Park (RVCP) has been successful in achieving £1.7m Heritage Lottery Funding (HLF) to transform the historically important Chapel building ensuring that it is easier to access for all and conserved for future generations to enjoy and understand its significance. The Executive Member Policy and Resources approved £1.1million in match funding for this project from the CPT capital budget in March 2015.
- 1.7. Further investment of up to £600k from the programme's capital budget is required at Royal Victoria to deliver improvements in the wider park that support the transformation of the Chapel to meet visitor requirements.
- 1.8. This paper seeks approval to commit £2.7m at Lepe and a further £600k at Royal Victoria.

2. Contextual information

- 2.1. 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 underdeveloped 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.
- 2.2. The Country Parks Transformation (CPT) programme aims to develop a suite of modern 21st Century Country Parks. Through capital investment and external funding the parks will attract more people from Hampshire, and beyond, to visit more often, stay longer, spend more and return. By achieving this, the parks aim to become operationally and financially sustainable in the long term. Appendix 2 provides the current overall revenue projection for all six parks collectively. This will be updated in line with developing the detailed project proposals for each of the remaining four parks. It can be seen in 2015/16 that early programme improvements have already had a positive impact on the cash limit. At the end of five years we are predicting an overall net surplus of £87,000.
- 2.3. The parks are well liked attracting around 2m visits a year and receive consistently good feedback and reviews. All of the parks have been awarded the national Green Flag Award which recognises the quality of the park, its management, and the involvement of the local community. The

recent Spending Review Consultation carried out by Ipsos MORI on behalf of the County Council found that Country Parks were second in the top three most used services.

- 2.4. Many people are prepared to invest their own time to help, with over 23,000 volunteer days recorded at the parks during 2014/15. The health and wellbeing benefits of enjoying the countryside are well known and for many people this is the main motivation for their visit.
- 2.5. The Country Parks collectively cost £2.8m per annum to run, £2.3m is generated from income, with the remaining £0.5m from the Cash Limited Revenue Budget. Over the past 3 years, through strong cost reduction plans and solid income generation the Cash Limited Revenue Budget has been reduced by 40% (£350,000). In order to continue the trend of increasing income, and meet more of the operational costs of the parks, an improved offer to the public is required. Since their inception around 30 years ago visitor expectations have changed, competition has increased and the parks capital investment has fallen below the preferred level. This transformation programme provides the once in a generation opportunity to invest in the facilities and activities which meet people's needs and which compare favourably with alternative ways for them to spend their leisure time.

3. Wider Programme Benefits

- It is anticipated that the programme will result in a 24% (£500,000) growth in income once completed. Market research that has been conducted as part of the programme identified the improvements that people would like to experience in the parks, these include:
- More play features including fully accessible facilities to attract families to visit and spend longer in the parks.
- Improved signage, interpretation and trails within the parks to enable greater exploration and increase dwell time.
- Better cafes with more indoor play and activities for children, improving the parks resilience to wet weather.
- Improved infrastructure and facilities to build on a popular events programme collectively across all the parks.

In addition the programme will deliver the following benefits:

- An increased number of visits including a rise in off-peak and out of season use.
- Maximised car parking income through improved ticketing arrangements, operational facilities and better layout.
- Improvement to assets which will reduce the maintenance liability and improve function and enhance the visitor experience.

- Increased number of core volunteers. The work completed by volunteers is of benefit to the park and that volunteers develop a strong community, recognised for their skills and achievements.
 - Increased environmental benefits by reducing the amount of waste going to landfill, reducing energy use, meeting and exceeding standards set by monitoring authorities.
 - Office and operational spaces effectively meet the needs of those who work and volunteer as well as those renting workspace at the parks.
 - Improved overall customer satisfaction, which will positively reflect the County Council in delivering quality services.
 - Health and wellbeing benefits for more people, increasing levels of physical activity and improving quality of life.
 - Contributing to the local economy as visitor attractions that encourage tourists from outside the County to visit, stay and spend.
- 3.1. Improvements that have already been delivered are: enlargement of the car park at Manor Farm and changing the layout to achieve the maximum number of cars at peak times. Enhancements to play and the renovation of the cold war monitoring post at Lepe to recreate the original 1960s interior with a new periscope. This was almost entirely funded by a grant from Heritage Lottery Fund of £70k.

4. Lepe Country Park

- 4.1. Lepe Country Park is an important countryside recreational and educational resource and popular country park which attracts over 250,000 visits a year. Located within the New Forest National Park, Lepe is one of the few places where people can access the coast and enjoy stunning views across the Solent. The Park is enormously well supported by the local community with a very active Friends group who play a vital role in the running of the Park.
- 4.2. The building which houses the visitor facilities and offices is reaching the end of its design life resulting in increased maintenance costs. The cost of maintenance will increase until economically non viable. The building is situated below the level of the cliff and is susceptible to flooding. The visitor centre has been flooded on a number of occasions with the last event in February 2014. This resulted in the facilities being closed to the public for a period of time whilst work was undertaken and a repair cost of £90k. Consequently there was a significant loss of income to the County Council. The beach car park is frequently affected by flooding resulting in a loss of income and reduced access to the park.
- 4.3. The Shoreline Management Policy for this area of the coast is 'no active intervention' which restricts the ability to defend the coast. This, along with the predicted coastal change, will result in a greater number of flooding incidents of the cafe and offices and eventually loss of the foreshore car park.

- 4.4. If no improvement is made to the offer, the quality of visit will deteriorate with loss of custom and income, resulting in higher operating costs. Due to the significant risk of damage caused by further flooding it was decided to advance the transformation plans for this park ahead of the others.
- 4.5. People are drawn to this unique location, which offers a great opportunity to interpret the New Forest coastal landscape, including the recently renovated observation post and D-day landings. Without a visitor centre it would lose its country park identity. An investment needs to be made here to maintain and attract new visitors. In 2014 there was a petition to keep Lepe open late by local residents and as a result opening times were extended. The investment made at Lepe would result in this park becoming cost neutral, with a forecasted small surplus, as demonstrated in Appendix 2.
- 4.6. Lepe is a popular destination for education visits to the nature reserve and increasingly to learn about the effects of coastal change. Education visits have significantly increased from 507 in 2008 to a peak of 2,400 in 2012.
- 4.7. The project is supported by our partners and land owners. Improvements at Lepe help to support the New Forest National Park Authority to achieve their objectives.
- 4.8. It is estimated that the proposed improvements at Lepe will generate an increase in visitor numbers from 284,500 to 341,000.
- 4.9. The estimated costs of the project, which include a new build visitor centre are broken down as follows:

Item	£
Construction	1,528,591
Services Improvements	102,887
Programme Management and Design Costs	305,901
Contingency	352,468
Fixtures and Fitting	140,000
Signage and Interpretation	80,000
Play and Trails	150,000
Total	2,659,847

4.10. The proposed new visitor centre at Lepe will deliver:

- A larger café with an opportunity to generate an additional £20,000 net surplus per annum.
- A café that is a multi-functional, dividable space and can be wholly or partially hired out externally to generate income. Lepe has established a reputation for hosting events and event based visits continue to grow in popularity.
- Greater access to the visitor centre from both the top and bottom car parks, improving access for those less able.
- Visitor reception and information, interpretation and an increase in the number of toilets all of which will add significantly to the quality of the visitor experience.
- Office and operational spaces to meet the needs of those who work and volunteer at the park, including the highly active Friends of Lepe group, which adopt the Workstyle strategy in creating a flexible space. This offers the potential for the office accommodation to be more efficient and used by other Countryside teams.
- Meet £178,000 of the existing condition liability, which if left unaddressed could lead to significant operational problems.
- Doubling the size of the upper car park from 120 to 240 spaces. Increasing income from car parking to £100,000 in 2017/18 and £150,000 in 2018/19.

4.11. In addition to the visitor centre other enhancements to be made at Lepe to deliver an overall transformation include:

- Improvements to the play offer, that encourage greater exercise by children and adults. The market research indicated that play facilities is the most important feature of a visit, visitors also indicated that they would like better trails and activities.
- Improved signage, interpretation and trails to enable greater exploration and increase dwell time, with potential increase in secondary spend.

5. Royal Victoria Country Park

- 5.1. The Executive Member Policy and Resources approved £1.1m in match funding for a bid to the Heritage Lottery Fund in March 2015. This bid was successful in achieving a contribution of £1.7m towards a £2.8m scheme to transform the historically important Chapel building. This is the first of the country parks to successfully receive significant grant funding from the HLF as part of its transformation, demonstrating the importance of conserving the heritage of the country parks. The RVCP Chapel project aims to encourage more people to visit, explore and learn about the park's history as the site of what was once the largest military hospital in the world.

- 5.2. The Chapel project will be completed by June 2018 and will see improved access to the Tower with breath taking views of Southampton Water, a new multifunctional learning and performance space along with a kiosk and other facilities to entice people to visit and learn about the Chapel.
- 5.3. Further transformation in the wider park is required to meet the needs of the anticipated uplift in visitor numbers and to generate further income. The key facilities are:
 - Upgrading car parking to maximise the number of spaces, to increase capacity, which will also help to generate an increase in income. This is forecast at £67,000 in 2017/18 and expected to continue as an upward trend.
 - Enhancing the catering offer to include an indoor play facility for pre-school children, will help to provide resilience to wet weather and support the park in becoming a sport and play destination. The accessible outdoor play area installed in 2014 is well liked and continues to be popular. This has helped to increase numbers to the park.
- 5.4. Once the overall project has been completed, it is forecast in the business plan that a revenue surplus will be generated in 2018/19. This reduces to a neutral position due to an increase in staffing costs to manage the Chapel. Improvements to catering are forecast to generate a net increase of £16,000 from 2018/19, which support this park in becoming cost neutral, as shown in appendix 2.
- 5.5. The change in use of buildings at RVCP will help to create a more efficient use of space and free up areas that have potential for future developments.
- 5.6. There is an active Friends group who have been fully involved in the Heritage Lottery Fund application and who will play a major role in the delivery of the project and future running of the Chapel. This year, in addition to the Green Flag award, held by all the parks, RVCP has also been awarded Learning Outside the Classroom Quality Badge and Visitor Attraction Quality Assurance Scheme award.

6. Finance

- 6.1. The overall Country Park Transformation programme budget is £12.9m. This consists of £5.7m Policy and Resources capital programme funding, £3m capital from the sale of assets and a minimum target of £4.2m from external funding.
- 6.2. Raising capital from the sale of assets is progressing well and is on target. Of the £3m target, £1.7m has been realised to date, with the remainder due by 16/17.
- 6.3. Including the £1.7m in Heritage Lottery Funding towards the transformation of the Chapel at Royal Victoria, the programme has already successfully achieved around 40% of its funding target. The team is continually investigating grants and developing robust funding plans to achieve the remaining grant funding target.

- 6.4. Assuming the programme is successful with raising external funding Appendix 1 demonstrates how the funding will be split across the Country Parks.
- 6.5. The strategy ambition still remains that the capital investment will support the removal of the Cash Limited Revenue Budget before 2020. Appendix 2 sets out the revenue implications as a result of the changes.

7. Consultation and Equalities

- 7.1. Over 2,000 members of the public and stakeholders responded to the surveys undertaken to assist in understanding the needs of communities, visitors and those who currently do not use the parks. The information received is helping to shape these transformation plans.
- 7.2. At Lepe a meeting was held with Cadland Estate in February 2015 to share the timescales and potential project brief. Further consultation is planned with these stakeholders at the end of October 2015.
- 7.3. New Forest National Planning Authority (Local Planning Authority) were consulted as part of an earlier viability study and no significant issues were raised in terms of the proposals to replace the existing facilities at Lepe. This organisation will be met with again later in 2015 prior to submission of the planning application.
- 7.4. Principle constraints relate to ecology and the presence of wintering birds which may restrict the window for construction starting May 2016. We are working with the necessary authorities to agree a mitigation package to increase the construction window.
- 7.5. Following consultation with land owners and partners, further detailed public consultation will be carried out at Lepe with visitors to hear their views on the proposed changes to be implemented.
- 7.6. At Royal Victoria Country Park a great deal of consultation and research was carried out to assist in the development of the application for funding. The results of this indicated that there is a demand for more family activities particularly those that help to engage and educate children.
- 7.7. RVCP is ideally placed to be able to offer multisensory and lively learning experiences, whilst also being able to provide the essential facilities that schools require.
- 7.8. There are some people who do not currently visit the Chapel or the park but who may have an interest in finding out about the Netley story and may benefit from being involved with this project. Previous data suggests, for example, that a lower than proportionate number of elderly people visit the park, perhaps due to perceived or actual access issues. The access improvements will help to overcome the issues to attract these audiences.

8. Key Risks

- 8.1. There remains uncertainty around the timing and level of funding from external sources to fund certain aspects of the programme. To mitigate against this, external funding plans have been produced for each park and the team continue to investigate a range of alternative sources of funding for each project. Project managers are currently working on further Heritage Lottery Funding bids and investment for specific projects within the parks. Once the scope for each project has been finalised, further applications will be made according to priorities.
- 8.2. As part of the benefits work a condition liability survey was commissioned in early 2015. The result of this highlighted a higher than expected level of investment to address repairs and maintenance. Over the next 1-3 years an estimated £1.8m investment is required. Whilst the programme will significantly reduce the maintenance liabilities it is unlikely that it will be able to meet them all. The Director of CBS will identify and deliver against the highest maintenance priorities.
- 8.3. The Director of CCBS will continue to manage the Country Park Assets in the future alongside the remainder of the corporate built estate. Subject to the level of revenue and capital funding, ongoing repair and maintenance will be undertaken after the conclusion of the investment programme.

9. Recommendation(s)

That the Executive Member for Policy and Resources:

- 9.1. Notes the good progress on the Country Park Transformation Programme and, in particular, securing funding through capital receipts related to the sale of surplus assets and external sources such as the Heritage Lottery Fund.
- 9.2. Approves from the Policy and Resources Country Parks Transformation capital programme allocation:
 - i) A contribution of £2.7million to deliver the transformation of Lepe Country Park and;
 - ii) A contribution of up to £600k to implement infrastructure improvements at Royal Victoria Country Park, to support the overall transformation of this site.
- 9.3. Requests the Director of Culture, Communities and Business Services to prepare a report on further income generation opportunities.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Maximising well-being:	yes
Enhancing our quality of place:	yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Transforming our Country Parks – Case for Future Investment	5362	12/12/13
Royal Victoria Country Park Chapel	6424	12/03/15

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.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

Equality impact assessments will be completed as part of each project start-up.

2. Impact on Crime and Disorder:

2.1. No significant impact has been identified in the development of this report.

3. Climate Change:

3.1. This will be considered as part of each park project.

CPT Programme Spend Profile

	Year 0 2013/14 £'000	Year 1 2014/15 £'000	Year 2 2015/16 £'000	Year 3 2016/17 £'000	Year 4 2017/18 £'000	Year 5 2018/19 £'000	Total £'000
Expenditure							
RVCP	0	142	50	2,580	598	0	3,370
Lepe	0	0	268	2,407	25	0	2,700
QECF	0	0	50	950	0	0	1,000
Titchfield	0	0	10	290	0	0	300
MFCF	0	30	250	720	0	0	1,000
Staunton	0	0	225	250	500	2,109	3,084
Programme team	0	44	233	279	195	139	890
Start-up fees, expenses and contingency	0	136	250	120	50		556
Total Costs	0	352	1,336	7,596	1,368	2,248	12,900
Funding							
External Funding	0	182	2,430	50	100	1,359	4,121
Capital Receipts	395	349	1,435	900	0	0	3,079
HCC Capital	0	0	0	3,543	1,268	889	5,700
Total Funding	395	531	3,865	4,493	1,368	2,248	12,900
In year (surplus)/deficit resources	(395)	(179)	(2,529)	3,103	0	0	0
Cumulative (surplus)/deficit resources	(395)	(574)	(3,103)	0	0	0	0

ALL PARKS - REVENUE IMPLICATIONS

	Year 0 2015/16 £'000	Year 1 2016/17 £'000	Year 2 2017/18 £'000	Year 3 2018/19 £'000	Year 4 2019/20 £'000	Year 5 2020/21 £'000
Current Gross Running Costs	2792	2792	2792	2792	2792	2792
Additional Running Costs						
Employee costs		-8	48	156	247	247
Premises expenditure		28	130	245	208	208
Transport costs		-4	-10	-10	-10	-10
Supplies and Services Expenditure		116	158	208	131	131
Total Costs	2792	2924	3118	3391	3368	3368
Current Income	-2354	-2354	-2354	-2354	-2354	-2354
Income generation						
Car parking income		-44	-272	-519	-594	-594
Season tickets/Memberships		-2	-11	-41	-79	-79
Entrance charges (inc. schools)		15	-35	-119	-191	-191
Education		0	0	-3	-6	-6
Catering		-2	-50	-79	-87	-95
Shop sales		-3	-11	-20	-25	-25
Hire of Facilities (inc. bbq, camping, room hire)		-2	-8	-12	-13	-13
Commission and Concessions		-11	-16	-16	-16	-16
Events and other Income (inc filming)		-16	-47	-64	-65	-65
Grants and unearned income		-52	-68	-80	12	12
Commercial Opportunities		0	0	-9	-29	-29
Total Income	-2354	-2471	-2872	-3316	-3447	-3455
Net Revenue Position	438	453	246	75	-79	-87

LEPE COUNTRY PARK - REVENUE IMPLICATIONS

	Year 0 2015/16 £'000	Year 1 2016/17 £'000	Year 2 2017/18 £'000	Year 3 2018/19 £'000	Year 4 2019/20 £'000	Year 5 2020/21 £'000
Current Gross Running Costs	251	251	251	251	251	251
Additional Running Costs						
Employee costs		-12	31	58	58	58
Premises expenditure		-4	17	39	39	39
Transport costs		1	2	2	2	2
Supplies and Services Expenditure		15	38	42	42	42
Total Costs	251	251	339	392	392	392
Current Income	-227	-227	-227	-227	-227	-227
Additional Income generation						
Car parking income		-1	-96	-156	-156	-156
Membership (1)		4	4	4	4	4
Entrance charges		0	0	0	0	0
Catering		15	-10	-20	-20	-20
Shop sales		6	3	3	3	3
Hire of Facilities (inc. bbq, camping, room hire)		1	0	-1	-1	-1
Concessions		0	0	0	0	0
Other - Events inc filming		2	-4	-5	-5	-5
Grant income		-3	-3	7	7	7
Unearned income		-2	-2	-2	-2	-2
Total Income	-227	-205	-335	-397	-397	-397
Net Revenue Position	24	46	4	-5	-5	-5

(1) Showing a loss from year 1 due to the withdrawal of the Culture-All Pass

ROYAL VICTORIA COUNTRY PARK - REVENUE IMPLICATIONS

	Year 0 2015/16 £'000	Year 1 2016/17 £'000	Year 2 2017/18 £'000	Year 3 2018/19 £'000	Year 4 2019/20 £'000	Year 5 2020/21 £'000
Current Gross Running Costs	391	391	391	391	391	391
Additional Running Costs						
Employee costs		0	4	8	52	52
Premises expenditure (1)		15	78	78	78	78
Transport costs		0	0	0	0	0
Supplies and Services Expenditure (2)		97	96	107	14	14
Total Costs	391	503	569	584	535	535
Current Income	-303	-303	-303	-303	-303	-303
Additional Income generation						
Car parking income		-24	-67	-117	-132	-132
Membership (3)		7	7	7	7	7
Entrance charges		0	-31	-25	-25	-25
Education		0	0	0	0	0
Catering		-1	-6	-16	-16	-16
Shop sales		-4	-9	-10	-10	-10
Hire of Facilities (inc. bbq, camping, room hire)		9	6	4	4	4
Commission and concessions		-4	-9	-9	-9	-9
Other - Events inc filming		-6	-23	-28	-28	-28
Unearned income from rents and Weddings		-2	-23	-23	-23	-23
HLF Grant Income		-87	-84	-93	0	0
Total Income	-303	-415	-542	-613	-535	-535
Net Revenue Position	88	88	27	-29	0	0

(1) Increase £15k in year 1 based on current costs and additional £63k in following years based on business plan for increased costs associated with the Chapel, opening 7 days a week.

(2) Increase in supplies and services costs by £84k in order to deliver HLF Project from 2016/17 to 2018/19 (additional grant income to support this), and hired and contracted services (£5-7k) to support increased delivery needs on site in addition to small increases in equipment, materials and stationary.

(3) Showing a loss from year 1 due to the withdrawal of the Culture-All Pass