



Cabinet Meeting on Wednesday 20 March 2019

Countryside Estate Review – Final Proposals for Management and Delivery

Cllr Gill Heath, Cabinet Member for Communities said,

“Our countryside estate makes a significant contribution to the health and quality of life in the county and should be cherished.

As one of the jewels in Staffordshire’s crown, ownership of the estate will remain with the County Council, but our proposals to develop its management aim to ensure that this contribution can be sustained for future generations.

We are determined to get this right and in recent years we have spent a great deal of time discussing the options with local stakeholders and interested parties.

These next steps will be taken working with those interested partners for the benefit of all.”

Report Summary:

The county council is responsible for a large countryside estate and public rights of way network which provide opportunities for enjoying Staffordshire’s green spaces. These bring with them wide ranging statutory and legal requirements, and at a time of budget pressures, the resources needed to manage and maintain them are being further constrained by pressures from higher visitor numbers and recreational use.

Building on previous work, this report puts forward final proposals for a financially sustainable operating model for the countryside estate and public rights of way network. Based on a detailed options appraisal, the management proposals will maximise the contribution the estate makes to communities and visitors and ensure the delivery of statutory and legal requirements, while offering greater financial sustainability in the longer term.

Recommendations

I recommend that:

- a. Cabinet approves the recommended approach to develop a sustainable future for Staffordshire’s countryside estate;

b. Cabinet approves the proposed implementation plan and associated scheme of delegation.

Local Members Interest
N/A

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Countryside Estate Review – Final Proposals for Management and Delivery

Recommendations of the Cabinet Member for Communities

I recommend that:

- a. Cabinet approves the recommended approach to develop a sustainable future for Staffordshire's countryside estate;
- b. Cabinet approves the proposed implementation plan and associated scheme of delegation.

Report of the Director for Families and Communities

Reasons for Recommendations:

1. Staffordshire County Council has completed a review of its countryside estate to explore potential future management options. The estate includes six country parks, nine local amenity sites and three greenways. Also included in the scope of this review is the maintenance of the public rights of way network which the council has a statutory duty to maintain in a safe and usable condition. It is recognised by Cabinet and the Prosperous Staffordshire Select Committee that the estate makes a significant contribution to people's health, wellness and quality of life, and it helps make Staffordshire a great place to live, work and visit. The estate is managed through Rural County alongside other environmental and rural development functions; Rural County has a net operating cost of £2.16 million per annum.
2. The review seeks to find a sustainable delivery model for the estate in the light of increasing demand (from higher visitor use) set against budget pressures. Early in the process Cabinet confirmed that there would be no sale of country parks, local amenity sites or greenways, the review therefore focuses only on management models.
3. Rural County has a Medium Term Financial Strategy (MTFS) commitment to save £736,000 from its net operating budget by 2021, which represents 30% of its overall budget. The service has already delivered over half of this saving through a range of efficiency measures including a recruitment freeze, however a further £318,000 is required to be delivered.
4. To date work on the review has included a public consultation on potential options, followed by an expression of interest exercise seeking to identify external organisations interested in taking on the management of countryside sites. This exercise has secured the transfer of management of one site through a leasehold arrangement, with the management transfer of a second site also under

negotiation. The process also confirmed that there is further interest from external bodies however there would be costs to the council and therefore a full procurement process is necessary.

5. The Prosperous Staffordshire Select Committee endorsed the proposals following a thorough question and answer session. Questions focused upon making sure timescales for implementation are realistic, ensuring there are sound evaluation processes in place to carefully consider potential transfers, and questions and challenge on ways to generate income and broaden the funding base for the estate. Responses to the Committee's queries and comments have been considered in the preparation of this Cabinet paper.

Making the estate sustainable

6. Over the last year staff in Rural County have explored mechanisms for improving the financial sustainability of the estate such as minimising operating costs, generating income and broadening the funding base. This has included responding to challenges and suggestions from Prosperous Staffordshire Select Committee on income generation opportunities.
7. Further ways to minimise operating costs include:
 - a. Reviewing the staffing structure
 - b. Rationalising vehicles, plant and equipment
 - c. Increasing volunteering and the role of communities
 - d. Working with partners to deliver economies of scale
 - e. Delivering some work through commercial contracts where more cost-effective
8. Key income sources identified include car parking charges, maximising the use of buildings, improving cafes, gift shops and trading concessions, delivering events, continued agri-environment grants, membership, sponsorship and giving. Opportunities to enhance the sites through one-off funding such as grants and developer contributions should also be explored. A wide range of other income streams were explored, however in many cases these were considered non-viable due to the nature of the sites or the limited payback. Further details of income generation sources explored can be found in Appendix A.

Options appraisal

9. Cabinet previously agreed four management options that merited further exploration for the estate:
 - Option 1 – Retain in-house under a revised operating model
 - Option 2 – Transfer management to external bodies
 - Option 3 – Develop a partnership with other landowning bodies
 - Option 4 – Transfer management to a specially created trust / social enterprise
10. The options were considered against groups of sites with similar requirements. These were then appraised against four weighted measures, assessing the

achievability of the option and its resilience, the ability to generate income, attract volunteers and meet legal requirements. The details and findings of the appraisal can be found in Appendix B.

11. Based on the outcomes of the options appraisal and considering how options would work alongside each other in combination across the estate, three potential management proposals have been identified:
 - a. **Management Proposal 1 – default in-house option** – the entire estate would be retained in-house under a significantly revised operating model.
 - b. **Management Proposal 2 – Transfer management to environmental bodies / trust / in-house** – the preferred approach for country parks and major local sites would be to transfer to environmental bodies, with creation of a charitable trust should sufficient transfers not be achievable; greenways, rights of way and small sites would be retained in-house under the revised operating model.
 - c. **Management Proposal 3 – Transfer management to a trust / in-house** – a trust would be established for larger sites while small sites, greenways and rights of way would be retained in-house under a revised operating model.

Recommendation

12. Based on the outcomes of the options appraisal, and discussion and comment from Prosperous Select Committee on the 18 January 2019, the recommended approach is based on Management Proposal 2. However due to the required time scales for MTFS delivery, it will be delivered in two stages as follows:
 - a. **Stage 1 – Re-organisation of the in-house operating model**

This will address the short-term requirement to deliver MTFS commitments and will include:

 - i. Reorganisation of the operational model for Rural County
 - ii. Rationalisation of vehicles, plant and equipment
 - iii. Invest in volunteering to support operational management and develop community involvement and capacity
 - iv. Explore income generation opportunities that can be delivered in the short-term and that do not impact on future options for the sites; any income generated will be used to support the operating model, with any surplus income ring-fenced to invest back in the sites.

It is proposed that this first stage will be implemented during 2019/20.

- b. **Stage 2 – Develop measures for longer term sustainability**

This will explore measures to develop a more sustainable approach to managing the estate in the longer term, including to achieve greater investment in the sites so that they can better achieve their potential for Staffordshire's communities and visitors. Tasks will include:

- i. Financial modelling to support decision-making and the development of business cases for any potential management transfers;
- ii. A procurement process to explore the potential for transferring management to environmental bodies, likely to be through a competitive dialogue process;
- iii. Should sufficient sites remain following the procurement process, exploration of establishment of a trust or not-for-profit body to manage the larger sites;
- iv. Continued work on the in-house operating model to increase efficiency, including exploration of contracts to deliver key tasks and local partnership working to deliver economies of scale where appropriate.

It is proposed that work on the procurement should begin in 2019 twin-tracking with the reorganisation of the in-house operating model; the re-organisation would take priority due to the need to deliver MTFS commitments.

Implementation

13. An outline time scale for implementing the stages detailed above is provided in Appendix C. Key milestones include delivery of MTFS commitments through reorganisation of the operating model by March 2020 – this will be the immediate priority. The procurement process would run alongside this with the main competitive dialogue element following the reorganisation. Transfers, if appropriate, would be likely to run from 2021.

Scheme of delegation

14. It is proposed that final decisions to implement the proposals should be through delegated decision by the appropriate Cabinet member following the detailed procurement process. However, it is also envisaged that a confidential report is submitted to Property Sub-Committee seeking authority to delegate the final agreed heads of terms for the leases / agreements to an appropriate officer to authorise.

Background Documents:

[Countryside Estate Review, Cabinet 20th December 2017](#)
Full Community Impact Assessment

List of Appendices:

Appendix A - Analysis of Income Generation Sources

Appendix B - Options Appraisal

Appendix C - Implementation Plan

Community Impact Assessment – Summary Document

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