

Newcastle Parks' Charitable Trust

Community feedback sessions: February 2018



Context

- The ambition to create the Newcastle Parks Trust is partly driven by:
 - The impact of recent reductions in government funding;
 - Ongoing pressure on all of the council's budgets, with a further £70m to find 2017/18-2019/20.
- But it is also driven by politicians' ambitions to secure a new delivery model to protect and develop parks and green spaces for future generations, and one that builds on the contribution of local people and groups.

City Council Cabinet decision November 2017

- Create a Charitable Trust
- Lease the parks and allotments to the Charitable Trust
- City Council remains landowner
- Leases granted for 125 years.

Benefits (1)

- Independent from the Council therefore removed from the constraints imposed on local authorities.
- **Legally protects** parks for public use.
- Requires active involvement of the community, partners, stakeholders and staff (**civic/mutual values**).
- Potential for trading and **social enterprise**.

Benefits (2)

- Secures the best human, environmental and social impacts.
- Maximises opportunities for income generation to sustain the enterprise (not purely for commercial gain).
- Unlocks new opportunities to access alternative funding sources.

Ongoing support

- Revenue support of up to £9.5m over 10 years - front loaded in early years leading to financial independence by year 10.
- Capital loan from the Council of up to £600k, if desired by the Trust.
- Staff transfer to the Trust on their existing terms and conditions – a TUPE transfer.
- Land transfers – long leases at peppercorn rent.
- Ongoing work to secure an endowment.
- Supported by Council and National Trust.

Growth supported by Council

The £9.5m factors in:

- repayments for a £600k loan for capital development;
- £2.85m (over 5 years) for backlog repairs and maintenance;
- ongoing VAT liability;
- the potential to increase staffing capacity (management and delivery);
- premises, equipment, vehicles, insurances etc...

Operating model – how might it work?

- The model is an illustration of how it might work (not a business plan) – subject to Trust decisions
- Income from existing activity goes up...and new income generating activity is introduced...
- Examples include: Commercial Leases; Cafes, Retail and Concessions; Events; Grants and Donations; Renewable Energy; Charged Activities; Natural Burials.
- Some costs go down.

How did the feedback we received from residents and partners help develop the model between the July and November Cabinets?

Key changes (examples)

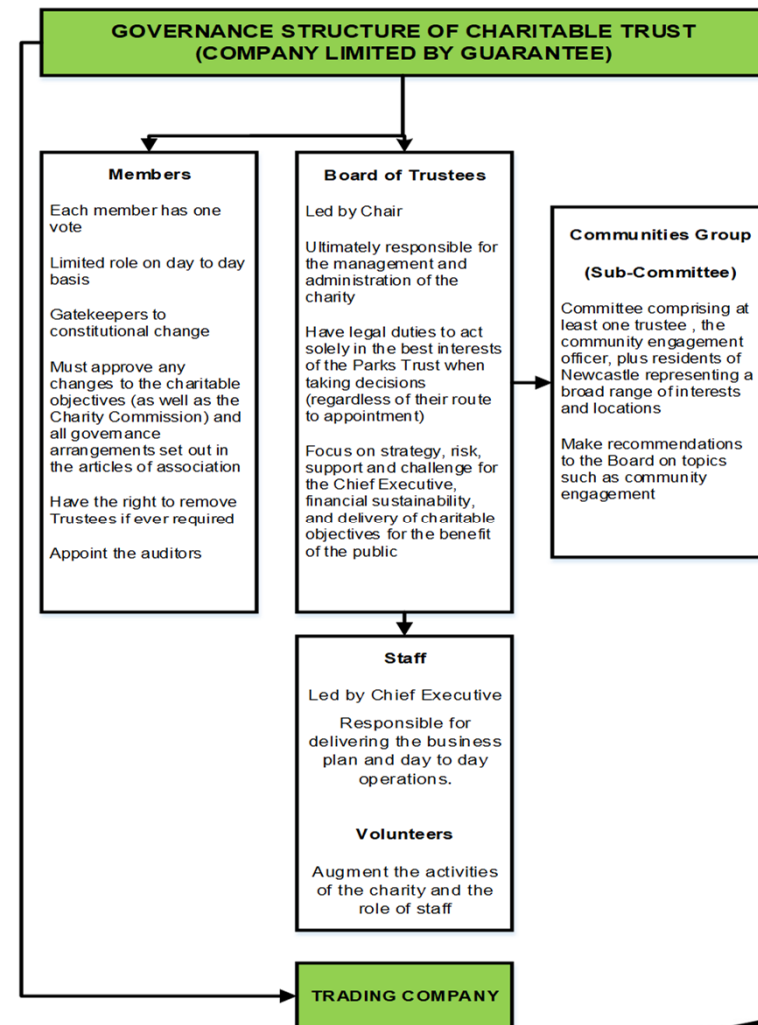
- **Property lease income:** initially assumed an uplift of 50% - reduced for prudence to 35% over 5 years
- **Car Parking Income:** original income £3.2m over 10 years - reduced to £2.1m after consultation feedback
- **Allotments:** still reflects rent increase of 10% but income from advertising opportunities removed
- See Cabinet Report for detail

Out of scope – what stays with Council?

- Closed cemeteries and churchyards.
- Playgrounds outside of parks.
- Recreation grounds.
- Town Moor.
- Westerhope and Newcastle United Golfing venues.
- Other green spaces (grass verges, local amenity spaces).
- Note that land managed by Council for third parties (such as the Freemen Allotments), is subject to negotiations for Trust management in the future.

Governance

- A charitable company limited by guarantee.
- The Board of Directors for the charitable company will also be the trustees of the charity.
- Holders of the Guarantee (“Members”) – the Council and five other city partners/stakeholders.
- Community Group (sub-committee of Board of Trustees)
- Trading company



Board of Trustees and Chief Executive

- Trustees are the Directors of the charitable company.
- 13 trustees in total
 - 11 openly recruited including the Chair
 - 2 nominated by City Council, including Vice Chair
- Board opportunity advertised on 17 January 2018.
- Recruit the Chair and then the remaining Board.
- Aiming to appoint Chair in March / Trustees in April.
- Aiming for Chief Executive in post by September 2018.

Charitable Objectives (summary)

The Trust is established for public benefit – for inhabitants of and visitors to Newcastle upon Tyne and the surrounding areas to maintain and improve:

- (a) **the environment:** providing, equipping and protecting parks and open spaces;
- (b) **health:** advancing health and well-being;
- (c) **happiness:** providing recreation and leisure time facilities in the interests of social welfare to improve the conditions of life for the inhabitants of Newcastle upon Tyne and the surrounding areas; and
- (d) **ancillary to the above objects, to advance education in particular in:**
 - (i) the conservation, protection and improvement of the natural environment including the flora and fauna, wildlife, biodiversity, and natural habitats of the Parks;
 - (ii) the history, culture, heritage and traditions of the North East; and
 - (iii) the promotion and encouragement of the arts, in particular within the Parks.

Accountability

Charitable objectives:

- will be reinforced by the Members of the charitable company
- overseen by the Charity Commission
- cannot be changed by the Chief Executive or Board
- can only be changed with Members' agreement
- and changes cannot be made unless acceptable to the Charity Commission
- The Board will also be required to provide an annual report to the city

Charities can only exist for continued public benefit.

Communities Group (1)

- Not legally required – a response to the Council’s “co-operative communities” approach and public consultation responses.
- Means of actively engaging with the community.
- To be enshrined in the Trust’s constitution
- A properly constituted sub-committee of the Board, with Terms of Reference governing remit and composition.
- Terms of Reference overseen by the Board
- One Board member to sit on Group and report findings of the Group back to Board

Communities Group (2)

- Does not change ongoing community activity – Friends of and Working Groups etc...
- Purpose is to be fully representative and inclusive of all areas and interests of the City.
- Composition to be determined / set up – working with Parks' Forum and other groups to develop this.
- Both the Board and the Communities Group will be responsible for the extent of engagement, and its success.
- Added benefit of having legal standing and opportunity to be fully representative.

Next steps / key milestones

Recruit the Board	Mar/Apr 18
Recruit the Chief Executive	Jun 18
Establish the Trust	By Sept 18
Due diligence + legals	Ongoing to Sept 18
Trust review	Sept / Oct 18
Transfer	Dec 18 / early 2019
New Trust up and running	by April 2019

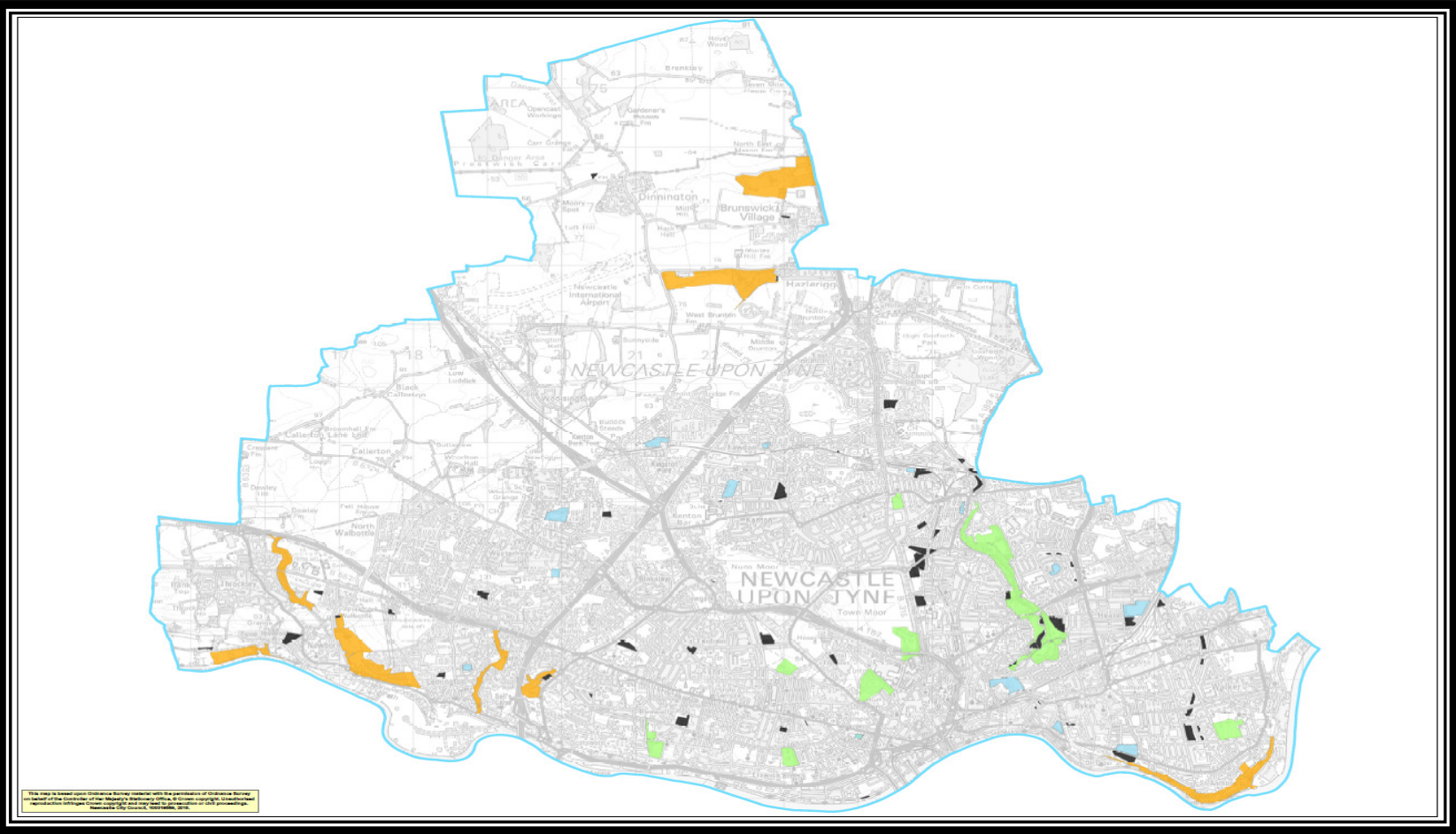
Core Principles.... again.

1. **Council priority:** parks are not a statutory service, but their successful future is a high priority for the Council.
2. **Public ownership:** parks should remain in Council ownership.
3. **Safe and clean:** parks should be clean, and visitors should feel and be safe.
4. **Free access for all:** parks should be free to access and use but charging for some facilities/activities continues and grows.
5. **Existing groups:** integral – part and parcel of any new solutions.

Core Principles continued.

- 6. Your Parks:** no decisions without engaging, listening, problem-solving (together), and feeding back.
- 7. One City:** equality of resources and enjoyment across all of the City's parks – no single park / individual solutions.
- 8. No Privatisation:** parks not transferred to a commercial entity but rather an entity with charity and community objectives, which preserves the parks and uses available income sources (including commercial), to run the parks.

Citywide solution



c.60 Allotments
e.g. Hazlerigg Allotments



9 Countryside Parks
e.g. Tyne Riverside



12 Neighbourhood Parks
e.g. Iris Brickfield



11 Principal Parks
e.g. Jesmond Dene

**Approx. 409 hectares –
15.5%
of the city’s
green / open spaces**

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