

Newcastle Parks – Public Feedback Sessions

Questions and Answers

February 2018

Feedback sessions took place as follows:

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| 10 February 2018 | East, Jesmond Dene Visitor Centre, Jesmond Dene |
| 12 February 2018 | West, Nuns Moor Centre, Nuns Moor Park |
| 13 February 2018 | Central, Newcastle Civic Centre |
| 24 February 2018 | Allotments, Newcastle Civic Centre |

Please note this paper refers to the following documents which can be accessed on request or at the following link:

<https://www.newcastle.gov.uk/leisure-libraries-and-tourism/parks-and-countryside/future-newcastles-parks-and-allotments>

- 1. Parks Report: information reported to Council Cabinet, and decisions made on 20 November 2017.**
- 2. Background Paper to the above Parks Report.**
- 3. Feedback Presentation Feb 2018: slides presented at the feedback sessions in February 2018:**
- 4. Supplemental Slides: additional 3 slides as requested on 24 February – see question 76.**

Funding

- 1. Provide tangible examples of funds that the Trust could raise that the Council cannot.**

There are several grants and foundations that a local authority cannot access – examples might be those such as Esmee Fairbairn and Hamlyn Foundations. The Trust can also ringfence income for delivery whereas the Council must prioritise parks (and other) income for its statutory services (the Council is not legally required to deliver parks).

- 2. If you're in financial distress then how can you give at new body £9.5m? Why don't you just do it yourself?**

The Trust is a different way of delivering altogether. It's about doing things in a different way, raising new income and reducing costs.

It actually costs the Council about £2m each year to deliver parks now, including income we receive from rents, parking etc; support from the Public Health budget; and uncharged for support from other directorates (for example grass cutting). The key financial benefit of the Trust is that based on the financial model it will be self-sustaining after 10 years. The Council does not have the capacity or expertise to do all of the activity required to be self-sustaining by this time and therefore parks would continue to be a significant cost to the Council beyond the 10 years.

3. What happens if the Trust is not financially independent in 10 years and is there a 10 year break clause?

There would need to be a discussion with the Council and an appropriate solution found at that time.

But any problem would not appear by surprise in Year 10, the Council will be involved throughout.

There is no 10 year break clause. Short break clauses would make it difficult for the Trust to raise funds. If the Council needs to intervene it will do so as the landlord of the parks.

4. I was involved in the transfer to Byker Trust – they can now borrow against their assets which helps raise income.

Yes, and the Parks Trust will also be able to borrow provided it has a business case that demonstrates it can repay any loans.

And the Council is prepared to loan up to £600K to the Trust for capital development if appropriate.

5. Please explain the reference to a £600,000 loan in the Target Operating Model?

The Council makes loans available to certain organisations and charges interest on such loans. It will be for the Parks Trust to decide whether or not it takes up the loan and interest payments have been included in the Target Operating Model to reflect the position should the Parks Trust take up the loan.

6. If NCC are providing £9.5m, why is there a need for the Trust to borrow a further £600k?

This provides the new Trust with the opportunity to borrow money at a reduced rate than would be available to them elsewhere so that they can do any additional capital works they think appropriate.

7. Is the capital loan time limited?

Yes, within 10 years.

8. What will the £9.5m pay for?

Maintenance and overall running costs, including £2.85m of backlog maintenance works.

9. Will NCC be obliged to complete the back log of works before transfer?

Condition surveys are being undertaken and it is likely that any significant works that have a health and safety implication, will be addressed prior to transfer. But the £9.5m support from the Council also contains £2.85m to help the Trust address outstanding works.

10. Why can't the Council generate the income the Trust intends to?

The Council could try to generate more income, though it wouldn't be able to access charitable sources that a Trust could. And parks aren't a statutory service therefore income generated from the parks wouldn't be ring fenced to spend on parks and allotments.

Trust Structure and Governance

11. Is the Community Group advisory only?

Yes. It will not be able to veto the Board of Trustees as this could impede decision making.

The Trust will establish the Community Group, and the Newcastle Parks Forum and the Allotments Working Group, and other interested groups will be contacted for their views on the suggested terms of reference for the Community Group. This information will be passed to the Board of Trustees to help them shape the terms of reference for the Community Group. So exactly how it is constituted is yet to be established.

12. Is it just one Community Group for the whole City to represent all different communities?

Yes it is, with the intention that it can represent all different groups and interests.

13. Why don't you follow a geographical model?

Perhaps we could. That may be difficult though – it might make the group an unwieldy size.

Nor would it be representative of different interests such as health, youth, disabilities etc...

We want to work with the Parks Forum and other groups like the Allotments Working Group on this.

And perhaps there could be broader community engagement about how it might be set up.

14. There is reference to someone being paid £75k – who is that?

That is a reference to the Chief Executive. Staff employed by the Parks Trust will be paid.

The Board of Trustees are voluntary positions.

15. Your advert for Trustees only asks for business skills.

No, the advert asks for a range of skills as shown in the advert extract below:-

“Successful candidates will be from a range of backgrounds and have a diverse skillset. We would particularly welcome people with experience at board or senior level in the following areas: land and property management, finance, fundraising, commercial operations, legal and governance and HR. Those with experience of the charity, environment and heritage sectors would also be particularly welcomed.”

16. Is there a legal route to dismantling this by democracy?

and

17. Is this immune to change?

Technically, the decision could be reversed before implementation or subject to changes up to the point of transfer.

During Trust delivery, there would have to be a significant problem for the Council to be able to take the land back.

However the Council remains landowner throughout so if there is indeed a problem, the land can revert to the Council.

If residents wish to complain about the Trust, they can do so as they do now to the parks service and ward councillors.

Once the Trust is established, complaints could also be made to the Charity Commission.

The Trust will need to have a clear complaints policy.

The Cabinet decision was made on 20th November 2017.

It was subjected to Scrutiny and at that point Scrutiny could have decided that the decision should be reviewed. Scrutiny decided that the decision did not need to be reviewed and should proceed.

18. This is a very challenging model for us to work within – we are mostly self managing and self funding. Being part of a larger organisation – volunteers won’t like being dictated to.

You can still work locally and raise and spend finance on your local site.

If the Trust want to do a particular activity then they fund it.

We also anticipate a new and complementary style of volunteering which will really help, for example in areas where volunteering is not as strong as it could be.

19. How will you manage conflict and how will ordinary park users be heard?

There will be a number of processes and procedures in place that will help the Parks Trust manage conflict. For example, it will have its own constitution which will set out rules of procedure which will include a complaints process; the Community Group will be a forum in which the Parks Trust can seek opinion and discuss issues of concern; local Ward Members will still be available to advocate on behalf of local residents. Contact with the Board of Trustees will also be a route for communication and park users should be able to have direct contact with staff employed by the Parks Trust.

20. Who is going to decide if the Parks Trust is meeting its objectives?

Ultimately it is for the Charity Commission to decide if the Parks Trust is meeting its objectives. However, the charitable objectives of the Parks Trust will be published

and anyone interested in the running of the parks should be able to see whether or not the Parks Trust is meeting those objectives. Anyone who believed the Parks Trust is not meeting those objectives can raise the issue direct with the Trust; through their ward councillor or with the Charity Commission. As a charity the Parks Trust will be required to make an annual report to the Charity Commission. In addition to its legal obligations the Parks Trust will be required by the Council to give an annual report to the City.

21. Who are the six Members of the charitable company limited by guarantee?

It has not yet been decided who the six Members will be but they are likely to include Newcastle City Council and five other organisations that have interests aligned with the Parks Trust and the future of the City.

22. Could one of the Members be an organisation that campaigns for parks?

Yes.

23. Has the Wildlife Trust been contacted in connection with the Parks Trust?

Yes, they have been contacted as part of the consultation process and they were contacted with information about being a Trustee of the Parks Trust.

24. How will you ensure that you get the right people on the Board of Trustees?

As and when places on the Board of Trustees become available, the Trust will carry out a skills audit to ensure that they have a balanced Board of Trustees able to meet the demands of the Trust at that particular time.

25. Is the lease fixed at 125 years? What happens if there is a change in Government or in funding etc? Why 125 years?

A long lease is required to allow the Trust to attract investment and large scale funding etc. That is why a 125 year lease is being proposed.

26. How long will trustees be in place for?

Three year terms with a maximum of 3 terms (i.e. 9 years)
We will need to make sure that not all the Trustees leave at the same time, so initial terms will be staggered.

27. Can there be a Community group member on the Board?

Anyone can apply for a position as Board Trustee.

National Trust

28. Can you clarify the role of the National Trust please...they're not a member of the Trust and they're not putting any money in so why are they involved?

They are supporting and advising the Council.

They have put aside approximately £250k to support this project. The money isn't paid to the Council but they are providing a lot of expertise and supporting capacity – for example on project management, culture change and volunteering.

Part of their core objectives is to secure access to open spaces and they see the financial threat to municipal parks as a threat to access to open spaces. Their work with the Council is therefore in line with their charitable objectives.

Delivery

- 29. The problem with the parks is that they're not being maintained. What are the chances of the Trust being able to sort that out, with the right plans and staff to ensure the parks go from a wild state to a managed one?**

The operating model assumes increases for staffing and maintenance activity. We also expect the Trust will also approach volunteering in a new way.

- 30. Can you guarantee that the £3 million referred to in the Target Operating Model for back maintenance will be spent on maintenance?**

We cannot give a cast iron guarantee but the Parks Trust will be obliged to keep the parks in good repair under the terms of the leases.

- 31. The Trust will be under pressure to generate income quickly and do things in a different way. That could mean more proposals like Go Ape.**

They will still have to go through the regulatory framework – depending on what the proposal is, planning permissions and licences would be needed.

The Council support is front loaded to give the Trust time to start generating income i.e. they don't have to start generating all the income straight away. In the financial model, the income in year 1 is £700k which rises to £2.5m by year 10.

- 32. What sort of events will take place in the Parks?**

We hope there will be a wide variety of different activities and events, as happens now. Any events that take place in the parks will have to comply with the regulatory framework and be in line with the charitable objectives of the Trust.

- 33. Will the Parks Trust differentiate between purely commercial organisations and community groups when deciding on what to charge for leases etc?**

That will be a matter for the Parks Trust to decide but hopefully it will.

- 34. How much income do the parks currently generate?**

About £400k a year.

- 35. Will parks still be free to enter?**

Yes, parks will still be free to enter although there may be charges for certain events and facilities as there are now.

36. Can they sub-let the parks to another organisation?

They cannot sub-let the parks but they will need to be able to sub-let part(s) – for example, so that they can lease buildings and carry out activities.

37. What will happen to leases currently granted by the Council for property within parks?

It will be business as usual until the Parks Trust takes over. When the Parks Trust takes over it will take on all existing leases and operate in line with those leases.

38. Who will get income from car parking?

New income generated from car parking will go to the Parks Trust but existing car park income from parking in Parks will go to the Council. For example the Parks Trust might provide temporary parking for an event which could have a charge or the Parks Trust might introduce car parking charges in parks where parking is currently free.

39. If they're going to rely on volunteers for maintenance and landscaping, what happens if the volunteers are no longer available?

That's why we need a new model with a new volunteering approach - to make sure we have a good and diverse flow of volunteers – able to operate in various areas, not just litter picking and maintenance.
The operating model also identifies the need for increased staffing.

40. A different way of volunteering will need co-operation from various Council departments – waste collection for example.

Agreed.
But nor does the Trust have to use Council services if it does not want to.

41. There is reference to an education programme – where would that be delivered from?

That would be for the Trust to decide.

42. Will the Council be involved in the running of the Parks Trust after the transfer?

The day to day running of the parks will be left to the Parks Trust.

Consultation

43. Regarding the consultation, what was the general response from the public in terms of support for this model?

That we need to find a new way of delivering to secure the future of the estate. We investigated various options and the Council's preferred option was a charitable trust.

We consulted on what the public thought about the charitable model. We received many useful comments and suggestions. Those responses helped shape the current proposals.

44. How interested have people been in the consultation process?

During the public engagement in the spring of 2017 we received about 4,000 responses which is one of the largest responses the Council has had to a consultation process.

45. Not many young people seem to come along to the consultation meetings. How have they been engaged in the consultation process?

Public engagement in the spring was extended to May so that we could do work with young people and there was a good response to that engagement.

46. If one park is unsustainable will it cease to exist?

No - it is expected that it will be easier to generate an income from some parks than others. That is one of the reasons the parks estate is being kept together so that the parks can support each other. It is important that access to parks is maintained across the city. The charitable trust will raise money for the whole estate.

47. How will the Parks Trust be staffed?

The Target Operating Model gives the opportunity to double the number of staff employed to operate the parks. However, it will be for the Trust to decide how or if that happens. We expect that there will be a new model of volunteering across the parks estate adding to what is done now by adding new opportunities, for example providing opportunities through the health sector.

Allotments

48. Are you going to sell the allotments?

No.

49. Can allotment associations continue?

Yes.

50. What about statutory allotments?

Statutory allotments will still be statutory allotments.

51. How will annual rent increases be decided?

and

52. What is the increase in rent for allotment holders?

The Trust will decide.

And the operating model suggests a 10% rise in 2020 when the licences are due for refresh.

53. Allotments do not provide open access to the public so why are they included?

When we first started thinking about this project, we were only thinking of transferring the principal parks into a charitable trust. As time went on this expanded to include wildlife parks, neighbourhood parks and allotments. All of these venues are important in terms of promoting public health and all will be better protected from the risk of further budget cuts if they are within the Parks Trust.

54. How much do allotments cost the Council now to operate?

£26,000 a year, on top of income from allotment rents.

55. What is the name of the ‘allotments group’ which will be part of the Trust?

There won't be an allotments group as part of the Trust but the allotments will sit within the trading company which is part of the Trust.

56. If there is a change in political administration, can the Council take back the allotments?

It is possible but legally difficult (unless it was because of service failure), and would be time consuming and costly.

57. Allotments will sit in the trading arm of the Trust so therefore they are a commercial entity.

The allotments will sit in the trading arm which will be owned by the Trust (within the charitable “family”). They need to sit in the trading arm because they are different to parks in that they aren't open access like the parks.

58. Could allotments be taken out of the Trust because they aren't a commercial entity?

No. The allotments are in scope because they are aligned with the public health agenda not because of any commercial considerations.
See also the answer to question 75.

59. What's to say that the Trust won't ‘sweat’ the allotments in the future (because they will sit in the trading arm)?

There will be a strong governance structure in place and there will be a need to consult with the Community Group which will be constituted by community reps. Nor is it in the Trust's interests to put the allotments at risk.

60. Will the allotments budget transfer across to the Trust?

Yes.

61. More interest in parks than allotments – the voice of allotment holders won't be heard.

There will be appropriate governance in place to protect allotments and there is the opportunity to have representation on the Board and Community Group. Because the whole Parks Team will transfer, it is better if the allotments and parks are kept together.

62. Will the Allotments Working Group have a voice?

Some allotment holders have applied to be on the Board. They can also be represented on the Communities Group.

63. What if Freeman don't agree to transfer the allotments they are responsible for?

Discussions are ongoing with the Freeman in relation to the Freeman Allotments and the intakes and the situation is being checked with colleagues from Legal. There are also issues with the Duke of Northumberland allotments which will also need to be checked.

64. Is it possible for Freeman to be the Members of the Trust?

Only if they apply as individuals.

65. Do Trustees get paid?

No. These are voluntary positions. Reasonable expenses might be agreed such as travel etc..

66. How much will the CXO get paid?

The operating model suggests £75k a year.

67. What powers would the Community Group have?

They won't be able to veto decisions. They will have an influencing role.

68. There are no guarantees that income generated by allotments will remain with allotments.

The Board will decide how the money is spent but it is likely that any money generated by allotments associations through activities will stay with the association responsible for generating the income.

69. Can statutory responsibility (for allotments) be delegated?

Yes but the Council would be ultimately responsible under statute.

70. Where would allotment holders go if maintenance works are required?

To the Allotment Officer but there is no guarantee about the levels of future budgets.

71. Will the Allotments Show continue?

This is a decision for the Trust to make.

72. T Durcan highlighted that we need to make sure that as and when key appointments are made, introductions are made with the allotments working group and other key stakeholders.

73. Will rent and local income generation increases be subject to VAT.

Given the number of different income sources assumed within the model there may be different VAT regimes for different types of income, but if rent or a fee or charge is currently subject to, or exempt from, VAT then this will continue to apply to any increases proposed by the Trust.

74. How will transparency in communication be assured (from the Trust Board down to the allotment holders)?

There will be a strong governance structure in place.

75. Concern that rents will increase to such an extent that allotment holders will leave and land will become attractive for development purposes.

There is a statutory requirement that allotment rents shall be set at a rate that a "...tenant may reasonably be expected to pay for the land if let..." for use as an allotment. (Section 10 Allotments Act 1950). This provision will be applied by the Parks Trust. It is highly unlikely therefore that the rents will increase to such an extent that allotment holders will leave or will not be replaced by other allotment holders. Also, any reduction in the number of statutory allotments has to be approved by central government.

76. One member of the audience requested that two slides be added to the presentation to demonstrate what allotments holders get now from NCC and what will be different when the Trust is established.

Please see the additional three slides at the end of the presentation.

77. Request that NCC influence Freeman to strengthen leases (more control).

We can try.

78. Are Risk Assessments available?

Risks are highlighted in the Cabinet report.

79. Request for the legal definition of Company Limited by Guarantee.

These are most often formed by non-profit organisations such as sports clubs, workers' co-operatives and membership organisations, whose owners wish to have the benefit of limited financial liability.

A company limited by guarantee does not have any shares or shareholders (like the more common limited by shares structure) but is owned by guarantors ("Members") who agree to pay a set amount of money towards company debts.

Furthermore, there will generally be no profits distributed to the guarantors as they will instead be re-invested to help promote the non-profit objectives of the company. If any profits are distributed to the owners, then the company will forfeit its right to apply for charitable status.

80. It is a tall order for the Trust to raise income to cover the reduction in the budget. Is this possible to achieve?

The ambition is to have the parks and allotments in a better state than they currently are and we are confident that the Trust will be able to raise the required level of income.

81. Request for allotments only discussion (Armstrong Allotments).

Agreed.

82. Comment from an Allotments Association member that it is up to the area reps to promote information about the allotments so all allotment holders know about the latest developments.

83. Yet to meet anyone who is supportive of the allotments being part of the Trust.

84. Can income from allotments be ringfenced to allotments?

This would be a matter for the Parks Trust to decide. However the ability, on occasion, to spend parks or allotments funding across the broader estate could be very beneficial.

85. Need clarification as to why allotments aren't deemed to be charitable.

The Parks Trust will be required to allow the public open access to the parks free of charge as part of the charitable objectives. As allotments are licensed to associations or individuals they are not generally accessed by the public. We don't want to change access to allotments so it would be difficult to argue that allotments are charitable / for the general benefit of the public.

Other

86. You mentioned cemeteries – are they part of this?

No.

Although the Trust will be able to take on new functions in the future, if appropriate. What happens is that once a cemetery is full, it is closed and classed as open space which the Council then has to look after but it doesn't receive a budget to help it to do that.

These are interesting spaces which we also need to care for, and we're currently doing some condition work around closed cemeteries.

87. What happens in the meantime?

It's business as usual until transfer.

88. Will the Nuns Moor Centre transfer to the Parks Trust?

The Nuns Moor Centre will probably not transfer to the Parks Trust. This will be confirmed after the due diligence process is complete.

89. How do you distinguish between a recreation ground and a park?

The distinction is based on the assets and facilities rather than the name of the venue.

90. The Hoppings generates an income, could that be passed to the Parks Trust?

The Hoppings takes place on the Town Moor which will not be transferring to the Parks Trust. The income from the Hoppings is shared between the Council and the Freeman.

91. Will the land be transferred with any restrictions?

The land will be transferred subject to all existing restrictions and covenants.

92. Where will the Parks Trust be based?

Don't know yet, this will be for the Parks Trust to decide.

13th March 2018