

**UPDATE ON OPTIONS FOR HINCHINGBROOKE COUNTRY PARK**

**To:** Commercial and Investment Committee

**Meeting Date:** 10 July 2020

**From:** Strategic Assets

**Electoral division(s):** Huntingdon West, Brampton and Buckden

**Forward Plan ref:** N/a                      **Key decision:** No

**Purpose:** To consider the granting a new lease for Hinchingsbrooke Country Park to Huntingdonshire District Council for a term of 99 years at a peppercorn rent.

**Recommendation:** The Committee is recommended to approve Option B: granting the lease to Huntingdonshire District Council, but requiring that all surpluses generated from the Park be retained for investment in country parks within the District.

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## 1. BACKGROUND

- 1.1 A Commercial & Investment Committee report on Hinchingsbrooke Country Park dated 24<sup>th</sup> May 2019 (provided in the Source Documents) considered a request from Huntingdonshire District Council (HDC) to agree a new lease for the 170 acre Hinchingsbrooke Country Park (the Park) for a term of 99 years at a peppercorn rent. HDC have an existing lease for the Park which was for a term of 30 years from March 1996 to April 2026. Since the beginning of the lease HDC estimate that the County Council has saved between £2.4m and £4.5m through not having to run the park itself.
- 1.2 Option A under the previous committee report involved granting a new 99 year lease at a peppercorn rent which would be unfettered by any restrictions on surpluses generated was discounted by the Committee.
- 1.3 The decision from the May 2019 Committee was to review Options B and C in more detail, working in conjunction with HDC.
- 1.4 Option B involves granting the new lease but on the basis that all surpluses generated from the Park are retained by HDC for investment in country parks within the District.
- 1.5 Option C involves undertaking an evaluation of whether the option for CCC to take back ownership of the Park is worthy of consideration and then run the operation themselves in partnership with another provider.
- 1.6 There have been delays as a result of COVID due to cancelled meetings at HDC and also in collating information.

## 2. MAIN ISSUES

- 2.1 Council officers have considered both options in more detail and the findings are as follows:

### **Option B - Granting the lease to HDC but requiring that all surpluses generated from the Park be retained for investment in country parks within the District**

Having reviewed the information provided by HDC on their current and future plans for the management of the Park, it is clear that running the Park is not currently a profitable exercise and is unlikely to be in the future. HDC currently bears the cost and liability of running the Park under the existing lease agreement and it has been necessary for them to subsidise the running costs of the Park on an annual basis by approximately £100,000 in any given year. This is after the income that is generated from the park has been taken into consideration.

HDC have plans to make a significant capital investment in the Park and in order to do this they require greater certainty of tenure under a longer lease. An investment programme totalling £1.5M was agreed by HDC in January 2019 with the aim of reducing the subsidy which HDC currently funds to operate the park so that it would reach a break-even point (a zero subsidy) in the future and effectively pay for itself. In doing so, HDC will secure the future provision and safe stewardship of this non-statutory

community asset, which is beneficial to the local and wider community, and which would otherwise be at financial risk. An outline business case is included as **Appendix 1**. A detailed business case has not been provided by HDC as it is considered commercially sensitive.

In agreeing to extend the lease for a further period, CCC should however stipulate that if the Park does reach a position in the future where it generates a significant surplus revenue, that any funds generated are only to be used for investment in country parks within the District and not elsewhere.

### **Option C - CCC taking back ownership of the Park and running the operation in partnership with another provider**

A review has also been carried out of other comparable parks in the region to assess whether there is an opportunity to generate additional revenue if the County Council did decide to take back ownership of the Park. In particular, a review has been carried out to benchmark Milton Country Park (MCP) for comparative purposes with Hinchingsbrooke Country Park (HCP). The comparison report is included as Appendix 2.

The key finding from this assessment was that MCP has only recently reached a break-even trading position after a number of years of active management and this break-even point has only been achieved by leveraging funds from corporate and other external organisations; donations and by being heavily reliant on volunteers to staff and manage the park at Milton.

Further work has also been done to consider whether there is any evidence of other similar parks that are being run at a profit and which do generate significant revenue streams. In particular, the information provided for Nene Park in Peterborough has shown that this park has not generated any significant excess revenue and for most recent accounting year, it only generated a very small surplus of funds. In terms of the retail activities that have been established at this park in more recent years, they actually operated at a net loss of £5,000 in FY 19/20. Again, as was the case with Milton Park, the Trust which runs Nene Park are heavily reliant on grants, lottery funding and donations in order to achieve the break-even position.

- 2.2 The overall conclusion is therefore that taking back ownership and the management of Hinchingsbrooke Country Park in order to benefit from future revenue does not warrant further consideration.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

### **3.1 A good quality of life for everyone**

There are no significant implications for this priority.

### **3.2 Thriving places for people to live**

There are no significant implications for this priority.

### **3.3 The best start for Cambridgeshire's children**

There are no significant implications for this priority.

### **3.4 Net zero carbon emissions for Cambridgeshire by 2050**

There are no significant implications for this priority.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

There are no significant implications within this category.

### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

### **4.3 Statutory, Legal and Risk Implications**

There are no significant implications within this category.

### **4.4 Equality and Diversity Implications**

There are no significant implications within this category.

### **4.5 Engagement and Communications Implications**

There are no significant implications within this category.

### **4.6 Localism and Local Member Involvement**

There are no significant implications within this category.

### **4.7 Public Health Implications**

There are no significant implications within this category.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Report sent 30/06/20 - no comments received to date. Name of Financial Officer: Eleanor Tod
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?</b>	Report sent 30/06/20 - no comments received to date. Name of Officer: Gus De Silva

<b>Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?</b>	Report sent 30/06/20 - no comments received to date. Name of Legal Officer: Fiona McMillan
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Report sent 30/06/20 - no comments received to date. Name of Officer: Elsa Evans
<b>Have any engagement and communication implications been cleared by Communications?</b>	Report sent 30/06/20 - no comments received to date. Name of Officer: Tom Bennett
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Report sent 30/06/20 - no comments received to date. Name of Officer: Peter Blake
<b>Have any Public Health implications been cleared by Public Health</b>	Report sent 30/06/20 - no comments received to date. Name of Officer: Kate Parker

<b>Source Documents</b>	<b>Location</b>
Reports and minutes of the Commercial & Investment Committee meeting held 24 <sup>th</sup> May 2019	<a href="https://tinyurl.com/y62ddoey">https://tinyurl.com/y62ddoey</a>