

1. Reason for Briefing

The purpose of this briefing is to explain the detailed and technical work which is ongoing so that the Cabinet's decision on 9 January 2018 to Shape a New Future for Knowsley's Parks is effectively progressed.

2. Background

- 2.1 Since 2010, Knowsley Council has had substantial cuts in its Government funding. The Council's funding has been cut by £485 for every person in the Borough – more than double the England average of £188 per person. By 2020, there will have been a £100m cut in the money which the Council would otherwise have spent on delivering services to the community. These cuts are continuing and the Council faces the challenge of implementing further permanent savings by 2020.
- 2.2 In view of the cuts and the need to protect statutory services, the Council identified in early 2017 that it will no longer be able to fund the upkeep of public parks in Knowsley from April 2019. This was an extremely difficult decision for the Council and certainly not one it would have wished to make given the extensive use and wide range of benefits which arise from Knowsley's parks and green spaces. However, with limited available funding, the Council has to prioritise essential statutory community services, especially services to vulnerable children and adults. From 2019/20, the Council's annual funding for parks will no longer be available and it is extremely unlikely that the Government will provide any new funding to replace it.
- 2.3 Given this background, the Council established the Knowsley Parks and Green Spaces Review Board in March 2017 with a view to finding a new method of funding and managing the Borough's network of public parks and green spaces. Finding a solution is a necessity if these much loved assets are to be saved from rapid decline and widespread closure.
- 2.4 On 9 January 2018, the Council's Cabinet approved the recommendations of the Review Board and agreed that a detailed Business Case should be drawn up during 2018 to test and validate the Board's proposals, in particular those for:-
- a) The establishment of The Knowsley Parks Trust on the basis that it:-
- Is an Independent Trust - a Company Limited by Guarantee and a Registered Charity;
 - Has Founding Members and Trustees; and,
 - Holds a Trading Subsidiary (e.g. Knowsley Parks Services Limited);

- b) The generation of an endowment which could be used to fund the majority of the expenditure associated with an alternative funding model, specifically through the suggested sale for new housing development of up to 10% of the Borough's parkland (17 sites) over a 15-year period in order to protect the majority of parks (144 sites) forever. In this regard, the Cabinet published the names of 17 sites so that the public would know as early as possible which parks were being considered for surrender under such a model. It was also essential to identify those sites in order to progress the preparation of the Business Case; and,
- c) The exploration of other funding/income generation opportunities which could contribute to the funding of Knowsley's parks and green spaces.

3. Business Case Preparation

- 3.1 To ensure that the Council makes a fully informed decision as to whether or not to implement the recommendations of the Review Board, the Business Case is now being prepared. This will enable the Council to ascertain whether the proposals:-
 - Are supported by a robust case for change – the Strategic Case;
 - Maximise public value/benefit to society – the Economic Case;
 - Are financially affordable – the Financial Case;
 - Can be undertaken lawfully – the Commercial Case;
 - Are actually deliverable – the Management Case; and,
 - Impact positively upon and create opportunities for Knowsley's communities and the Borough's natural environment – the Community Case.
- 3.2 These six cases above will together be used to establish the best way forward in terms of public benefits and affordability.
- 3.3 The proposals are both innovative and contentious. As a result, the preparation of a robust Business Case is of particular importance. To do the Business Case work properly, Council officers will now:-
 - a) Complete detailed planning and assessment through the preparation of an Outline Business Case to identify a *preferred option* which will be presented to Knowsley Council's Sustainable Borough Scrutiny Committee in June/July 2018 for review, comments and assurance; and,
 - b) Develop the Outline Business Case's identified *preferred option* into a Full Business Case to be presented to the Cabinet in November 2018 for approval.
- 3.4 No final decisions will be made until the Cabinet meeting currently scheduled for November 2018. The proposals would only move into any implementation phase after that Cabinet decision. At that time, contracts, leases, funding and staff transfers etc. would be formally put in place.

4. The Project Plan

4.1 There are a range of detailed actions which must be undertaken to support the work outlined in section 3 above. This work is substantial and will involve parkland site surveys and visits, advertising potential opportunities for parkland development, meetings with developers, recruitment of potential Trustees, registration with the Charity Commission, and engagement with interested stakeholders from Knowsley's communities.

4.2 The Project Plan items which are of particular significance are highlighted below in the context of the six cases of the overarching Business Case (referred to in paragraph 3.1 above) and the dates by which they are currently expected to be completed. In the main, this work is expected to be carried out by June/July 2018 (in time for consideration by Scrutiny), although some work will also be required in time for the scheduled November 2018 Cabinet meeting.

4.3 *The Strategic Case*

- To explain why the proposals have been developed and identify the consequences of not carrying out work on a new model (June/July); and,
- To assess the perspectives of identified stakeholders and appraise the risks and opportunities of the proposals (June/July).

4.4 *The Economic Case*

- To determine whether the proposals are actually deliverable (June/July);
- To confirm the overall long-term financial costs of the proposals alongside the confirmed benefits and risks (June/July);
- To develop a Project Risk Register (June/July);
- To assess and stimulate market interest in the 17 parkland sites (June/July);
- To use the above market interest assessment to confirm whether the land sale receipts would be sufficient to secure the required endowment (June/July);
- To assess income generation opportunities which could be generated via the potential trading subsidiary (June/July); and,
- To identify a new occupier for Court Hey Park and in particular the land and buildings occupied by the former National Wildflower Centre (up to November).

4.5 *The Financial Case*

- To establish whether the Economic Case's *preferred option* would result in a fundable, affordable and sustainable way forward for the Council (June/July);
- To determine the capital and revenue implications of the proposals (June/July);
- To determine the range of services which The Land Trust could offer to the Knowsley Parks Trust (June/July);
- To develop a Funding Strategy to create the Trust's endowment (June/July); and,
- To develop an Endowment Investment Strategy for the Trust (June/July).

4.6 *The Commercial Case*

- To manage the Council's obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) (June);
- To define the legal basis for the *preferred option* (June/July);
- To assess the commercial viability of the endowment and Trust (June/July);
- To design the legal entity for the potential Trust, its potential trading subsidiary and their relationships with the Council (June/July);
- To draft Articles of Association for the Trust and its trading subsidiary (June/July);
- To consult the Parish and Town Councils in the Borough (June/July);
- To prepare a Business Transfer Agreement regulating the terms on which land, property, assets, contracts and employees could transfer to the Trust (June/July);
- To design and develop a potential new Trust and trading subsidiary staffing structure (June/July);
- To undertake site investigations in order to inform the expected land values for each site (June/July); and,
- To prepare Development and Disposal Briefs for the 17 sites (June/July).

4.7 *The Management Case*

- To prepare a draft Business Plan for the Trust (June/July);
- To prepare an Operations Plan for the Trust (June/July);
- To apply to 2018 Rethinking Parks for funding for work to develop the Full Business Case (June/July); and,
- To identify lessons learned from the exercises to design and implement Volair and Knowsley Youth Mutual (June/July).

4.8 *The Community Case*

- To prepare the Green Space Audit 2018 and Playing Pitch Strategy 2018 and thereby update the assumptions on which the proposals are based (June/July);
- To establish how developer contributions could be accessed by the Trust (June/July);
- To design and deliver a Communications/Stakeholder Engagement Plan (ongoing through the work programme); and,
- To engage with all Knowsley Council Elected Members to explain why the 17 sites were selected and the associated mitigation measures (June/July).

5. Conclusion

- 5.1 Council officers are now working through a comprehensive Project Plan in order to bring forward a robust Business Case which can be used by Elected Members to inform the decision-making process in relation to a potential new model for Knowsley's parks.
- 5.2 This detailed and technical preparatory work is essential if the Council is to make an informed decision at the appropriate time. As shown in section 4 above, there will be a substantial amount of work between now and June/July 2018 in order to arrive at a position whereby the Council's Scrutiny function can consider progress in the summer.
- 5.3 The fact that this preparatory work is being undertaken does not mean that the Council has already made a decision on the proposals. The Council must take a fully informed decision on the future of the Borough's parks and the preparatory work is aimed at allowing exactly that to happen. At present, a final decision is scheduled to be made when the Council's Cabinet considers the full business case report in November 2018.