

Future Management Arrangements for Open Space Area at the Former Atkinson Morley Hospital Site - LUNG/ Morley Park Trust Response to the Officers' Paper to the 28th November 2011
Meeting of the Cabinet

Recommendations

- A. The Cabinet asks officers to establish a transparent and fair bidding process to determine which organisation will undertake the overall management of the park.
- B. The Cabinet requires that no lease or contract for the use of the playing fields shall be agreed prior to completion of the bidding process to determine the overall management of the whole park.

Main Points

1. It offends against natural justice to permit one of the bidders for the management of the park (the Council's Green Spaces service) to arbitrate against other potential bidders for the management (a community trust). There is inevitably a conflict of interest in such a process however even handed officers try to be in their recommendations.
2. The officers' paper is inadequate in not setting out the relevant background for Members i.e. the Majority Party's policy on community trusts (as per their manifesto), the Coalition Government's policy on localism, and finally the Localism Act 2011. The latter includes the Community Right to Challenge to ensure that community groups are encouraged to bid, and given, by law, a fair hearing.
3. There is a lack of any argument or proper justification for the recommendation that Cabinet confirms selection of a specific school (the Ursuline) as the school to be given priority status for use of the playing fields and potentially management of them.
4. The cost data in the Operational Financial Projections in Appendix 2 lacks transparency and credibility.
 - a. Many of the costs used are a repeat of the numbers provided to the Council by Berkeley Homes.
 - b. The sports field maintenance cost at £8,000 a year is one of the exceptions. This compares with market costings at around £30,000 a year.
 - c. No breakdown or explanation is given for the income from 'sports and events' lettings. What use and financial contribution is assumed from the Ursuline School?

Comments on the options as considered in the officers' paper

5. In 3.2 Option 1 we challenge that the current business plan for the site (Appendix 2 of the officers paper) demonstrates that there would be a small overall funding deficit of around £7,000 per annum.
 - a. The cost numbers used in the plan are largely a repeat of those provided to the council by Berkeley Homes in March 2011. We append the Berkeley Homes document so Cabinet Members can see for themselves how they compare.
 - b. There is no information on what is allowed for in the £8,000 for sports 'grounds maintenance' although this is very substantially below the market level for such services. We have taken advice on this from 3 sources and found general agreement the cost would be around £30,000 a year. If the £8,000 cost reflects the Council's total cost of maintenance for these playing fields the Council could make a substantial profit by marketing its sports grounds maintenance services.
 - c. No breakdown is given for the £24,964 a year from 'sports and events lettings'. What events are being assumed? Does it assume any income from the AELTC for parking?

What financial contribution is assumed from the Ursuline and in return for what use?
Without understanding the assumptions made it is impossible to know what confidence there can be in the numbers.

6. In 3.2 Option 1 we also challenge that direct management of the site by the Council would be 'the simplest and least risky scheme'. This takes no account of the severe pressure on the Council's budget and the cuts in parks management and maintenance resources.
7. In 3.3 Option 2 concern is expressed about the skills and resources Morley Park Trust will have at its disposal. These are set out in the accompanying paper detailing the Trust's own proposal to manage the park. These include not only a wide range of the technical skills to manage a park and sports facilities but also business, management and entrepreneurial skills which would give the Trust an advantage over the Council in creating a financially self-sustainable enterprise. The paper also raises the usual obstacle to Localism in that the MPT "does not appear to have a significant track record in the management of public parks". If this argument holds sway no community will ever take over any Council assets unless they are already managing a similar asset. A bit of a Catch 22, but although Morley Park Trust does not itself have a track record in park and sports field management it does have volunteers who do.
8. In 3.4 Option 3 it certainly does not follow that 'the site as a whole could be administered by a single sports or educational establishment'. The park includes an ecological area and woodland designated as a site of importance for nature conservation. What sports or educational organisation does the officer have in mind that would have either the skills or motivation to maintain the whole park for the benefit of the community? The officer's paper does not question the Ursuline School's capacity to run the playing fields but as far as we are aware the school has no prior experience of managing playing fields. Neither does it question whether any school's priorities and financial imperatives as managers of the sports facilities would be consistent with creating long term sustainability for the whole Park. The use of pitches outside school use needs to be balanced between income generation and proper maintenance and use of the pitches to allow time for them to renew and restore.
9. Option 4 (para 3.4) - The practical difficulties in splitting the management of the park between the sports and non-sports elements are set out in our proposal document.

Other points

10. The report displays a concern that MPT will not act in the interests of the total community and cannot be controlled by the Council as they will not have a majority of the Trustees. In para 12.1 it specifically raises the risk that the site could become an additional financial burden on the Council. This fails to recognise that any Trust would be subject to the terms of their lease with the Council. A Trust would expect the Council to set financial and other targets in their lease. It would further expect there to be a break clause such that the Council could take back the management of the park, and control of the remaining dowry if it failed to meet agreed criteria. As stated in our proposal document, the Trust would also expect the Council to require council representatives on the board of trustees and we would welcome working in partnership with the Council.
11. Para 12.2 – please note that the park would not have a paddling pool, playground or public toilets.

Appendix on next page - Berkeley Homes financial plan provided in March 2011

1. MOL Freehold Land (Excluding Sports Pitches) - Areas B2, C, D, F1, F2, G)

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Rental Cottage	19,200	19,200	19,200	19,200	19,200	19,200
(less management fees at 17%)	-3264	-3264	-3264	-3264	-3264	-3264
	15,936	15,936	15,936	15,936	15,936	15,936
Costs						
Public liability insurance	1,000	1,000	1,000	1,000	1,000	1,000
Legal Costs	2,000	250	250	250	250	250
Accounting Costs	500	500	500	500	500	500
Misc costs	500	500	500	500	500	500
Annual Tree Inspection	500	500	500	500	500	500
Landscape Maintenance	2,000	2,000	2,000	2,000	2,000	2,000
Boundary Maintenance	1,000	1,000	1,000	1,000	1,000	1,000
Car Park Maintenance	500	500	500	500	500	500
Footpath Clearing and Lighting	1,000	1,000	1,000	1,000	1,000	1,000
Ecology Survey (Every 3 years)	-	-	350	-	-	350
Total Maintenance Costs	9,000	7,250	7,600	7,250	7,250	7,600

Sinking Fund Contributions

Tree Works	0	4,000	4,000	4,000	4,000	4,000
Boundary Replacement	0	1,500	1,500	1,500	1,500	1,500
Repairs to Footpath and Car Park	0	1,500	1,500	1,500	1,500	1,500
Cottage Maintenance	0	1,000	1,000	1,000	1,000	1,000
Subtotal	0	8,000	8,000	8,000	8,000	8,000
Contribution to General Sinking Fund	6,936	686	336	686	686	336
Allocated Sinking Fund Contribution	0	8,000	8,000	8,000	8,000	8,000
Unallocated Sinking Fund Total (£25,000 starting)	31,936	32,622	33,222	33,822	34,422	35,022
Total Sinking Fund	31,936	40,622	48,958	57,644	66,330	74,668

2. MOL Sports Pitches (Area C)

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Weekend and Evening Sports Pitch Rental	11,250	11,250	11,250	11,250	11,250	11,250
Summers Sport Club	2,300	2,300	2,300	2,300	2,300	2,300
Wimbledon AELTC Parking	10,000	10,000	10,000	10,000	10,000	10,000
	23,550	23,550	23,550	23,550	23,550	23,550
Costs						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Ground Maintenance	24,500	24,500	24,500	24,500	24,500	24,500
Top Dressing	5,600	5,600	5,600	5,600	5,600	5,600
Booking and Admin / Marketing	2,000	2,000	2,000	2,000	2,000	2,000
Site Supervision	1,500	1,500	1,500	1,500	1,500	1,500
Utility Costs for Pavilion	5,800	5,800	5,800	5,800	5,800	5,800
Insurance for Pavilion	1,000	1,000	1,000	1,000	1,000	1,000
Cleaning Cost	4,160	4,160	4,160	4,160	4,160	4,160
Sundries	200	200	200	200	200	200
Total Maintenance Costs	44,760	44,760	44,760	44,760	44,760	44,760
Sinking Fund Contributions						
Pavilion Maintenance	1,000	1,000	1,000	1,000	1,000	1,000
Total Sinking Fund	1,000	2,000	3,000	4,000	5,000	6,000
Weekday Income / Council Subsidy Required	22,210	22,210	22,210	22,210	22,210	22,210

Notes

All maintenance costs assume appointment of contractor to undertake works or external body. If the Council undertake these works direct there may be cost savings