



## Finance and Performance Sub-Committee 10<sup>th</sup> September 2018

### Stanwick Lakes – Funding proposal for the next 10 years

#### Purpose of report

The purpose of this report is to obtain Councillors' agreement to the funding arrangements for Stanwick Lakes in partnership with Rockingham Forest Trust for the next 10 years and consideration of responsibility for sluice gates.

#### Appendices

Appendix 1 – Stanwick Lakes Capital Expenditure 2019 – 2029

Appendix 2 – Stanwick Lakes contribution to our corporate outcomes

#### 1.0 Background and current position

- 1.1 Stanwick Lakes was officially opened in 2006, with the Visitors' Centre opening in 2009. Since then the facility has gone from strength to strength with improved play equipment, assault courses, outdoor theatres and cycle hire. It is a much loved and valued asset in our District and we are very proud of it.
- 1.2 The land on which Stanwick Lakes sits is owned by East Northamptonshire Council. It is the subject of a 125 year lease which was signed by East Northamptonshire Council and Rockingham Forest Trust (RFT) in October 2002. A new lease is in the process of being signed to reflect the extent of Stanwick Lakes and how the partnership agreement currently operates.
- 1.3 ENC contributes to the site and its management through attendance at the quarterly Stanwick Lakes Management Board, where Cllrs Richard Lewis, Glenvil Greenwood-Smith and Dudley Hughes currently represent our interests.
- 1.4 A 10-year business plan has been produced for the site in order to continue the ongoing site improvements and identify the potential capital investments necessary to ensure its long term future.
- 1.5 Additionally, the Environment Agency (EA) has contacted RFT to discuss the transfer of the maintenance and operation of the sluice gates from the EA to RFT. Historically the EA has managed and maintained the sluice gates but according to the EA they are owned by the landowner, in this case ENC due to milling rights.

#### 2.0 Stanwick Lakes Funding Requirements

- 2.1 East Northamptonshire Council as the landowner, through the lease is responsible for a list of infrastructure and structures on the site. Based on this list of responsibilities the capital expenditure for the next 10 years has been developed in consultation with RFT and the Stanwick Lakes Management board. The proposed funding requirements for Stanwick Lakes are included in Appendix 1. These figures are based on a worst case scenario of investment requirements.
- 2.2 The figures detailed within the proposal are higher initially than previous years and then drop down towards the end of the first 5 year period. These are based on the need for RFT to invest in hydro power to the site to ensure sustainable energy sources are utilised and that the cost of energy provision to the site is reduced. This investment will see their contribution to the other capital items reduce in order to allow

this invest-to-save opportunity to be realised.

- 2.3 The partnership approach to Stanwick Lakes with RFT enables the site to function and continue to grow and meet the needs of our ever-changing populations, providing much-needed open space, links to nature, investment in health and wellbeing and links to heritage. The business model adopted by RFT sees them invest any profits they make back into the site, and significant amounts have been re invested by RFT over the years.
- 2.4 Appendix 1 details the contributions RFT will make towards the site over the next 10 years. These figures are constantly reviewed by the Management Board and where RFT are able to invest more the contribution would be altered accordingly.

### **3.0 Transfer of Sluice Gates**

- 3.1 The sluice gates have always been managed and maintained by the EA. The EA's strategy for dealing with flood management has changed and they are now in the process of transferring these responsibilities to the appropriate landowners. Upon transfer of the responsibility the gates are brought up to the required standard and money is passported to the appropriate organisation to cover ongoing maintenance.
- 3.2 This proposal is attractive to RFT as the money can be used to help implement the hydro power through the installation of an Archimedes Screw and secure the support of the EA to do this. The EA is providing details of both the initial capital commuted sum for making good, and for the on-going maintenance. There are risks associated with both taking on and not taking on responsibility for the sluice gates. If we do not take responsibility on for the gates the EA have proposed installing a fixed weir, and as such the ability to control flood-risk to the site would be lost.
- 3.3. Prior to taking on responsibility for the gates there is further work needed to verify the EA stance to ensure we fully understand our liabilities in both instances. Members are asked to consider this request and confirm if they are happy in principle to take on responsibility for the sluice gates.

### **4.0 Equality and Diversity Implications**

- 4.1 An equalities impact assessment has been completed and there are only positive implications associated with the continued funding of Stanwick Lakes.

### **5.0 Privacy Impact Implications**

- 5.1 There are no privacy implications arising from the contents of this report.

### **6.0 Legal Implications**

- 6.1 There are no legal implications apart from our legal responsibilities already highlighted arising as a result of this report.

### **7.0 Risk Management**

- 7.1 There are risks associated with the sluice gate proposals. If members were minded to reduce the financial funding to Stanwick Lakes there would be risks around the ongoing maintenance of the site and its subsequent sustainability.
- 7.2 There may be perceived financial risks associated with the responsibility for the sluice gates, but these are mitigated by the fact that the structures are brought up to standard before the EA transfer, and the liability for their on-going operation passes to RFT. The alternative is not risk-free: the EA have proposed installing a fixed weir, and as such the ability to control flood-risk to the site would be lost.

7.3 In addition to the above risks there are risks around the continued capital funding as the provision for capital is reducing in addition the local government review creates risks for our future services and associated commitments.

## 8.0 Resource and Financial Implications

8.1 The funding for Stanwick Lakes has been agreed every five years historically and this funding requirement is included within the MTFS and the capital programme. This report is recommending a 10-year agreement, to be reviewed as required, which provides a future commitment to Stanwick Lakes and allows RFT to plan long term for initiatives such as hydro power. It also provides ENC with the opportunity to understand our commitments over the next 10 years.

8.2 The funding requested is in Appendix 1 but is simplified for this section of the report in the table below:-

Funding Requirements for Stanwick Lakes over the next 10 years in £000s										
	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
RFT	105	65	75	65	55	58	70	65	50	60
<b>ENC</b>	<b>198</b>	<b>106</b>	<b>110</b>	<b>96</b>	<b>78</b>	<b>108</b>	<b>177</b>	<b>140</b>	<b>73</b>	<b>144</b>
Total	303	171	185	161	133	166	247	205	123	204

8.3 The previous ENC funding has averaged at £75,000 a year for the site, but with the age of the site more work is needed to maintain the site's infrastructure and cope with the ever-increasing numbers of visitors. There is £70,000 contained within the capital development pool for Stanwick Lakes. The funding provision for the last five years is shown in the table below:-

Funding given to Stanwick Lakes by ENC over the past five years					
	14/15	15/16	16/17	17/18	18/19
ENC funding for Stanwick Lakes	68	71	119	25	65

8.4 The funding that comes with taking on the responsibility for the sluice gates would go directly to RFT, but long term it would be our responsibility to maintain. The financial risk associated with this needs to be balanced with the financial risks related to the costs of future flood damage, and the lost opportunity to generate hydropower and control energy costs at the site.

8.5 The indicated financial contributions to Stanwick Lakes can only be committed one year at a time through the budgetary process. The required funds for subsequent years will need to be verified annually and are only indications at this stage. Due to the local government review ENC is unlikely to exist beyond 2020 and it is unclear at this stage how funding will be determined going forward and whether Stanwick Lakes will be a priority.

## 9.0 Constitutional implications

9.1 There are no constitutional implications arising directly from this report.

## 10.0 Implications for our customers

10.1 The revised funding agreement will have no implications for our customers other than continuing to enable them to use Stanwick Lakes.

## 11.0 Corporate Outcomes

11.1 The investment in the site will contribute to the achievement of the following corporate outcomes:

- **Good Value for money:** To ensure we are clear on our financial obligations for Stanwick Lakes and can effectively plan for the future finances at Stanwick Lakes.
- **Effective Partnership Working:** Supporting and enabling our partnership arrangement with Rockingham Forest Trust to develop.

11.2 In addition to this Appendix 2 highlights how Stanwick Lakes contributes to our corporate outcomes.

## 12.0 Recommendations


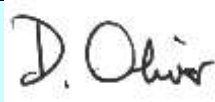
12.1 The Sub-Committee is recommended to:

- a) Resolve to recommend to full Council the funding proposals for Stanwick Lakes over the next 10 years through placing them into the capital programme development pool as indicated in Appendix 1 and removing the existing allocation.

*(Reason: To ensure ongoing maintenance of one of the Council's main assets and encourage healthy and active lifestyles across East Northamptonshire)*

- b) Delegate authority to the Head of Customer and Community Services, following consultation with the Chair of Finance and Performance Committee and the members on the Stanwick Lakes Management Board, to agree to work with RFT to fully understand the liabilities and prepare a business case for taking on responsibility for the sluice gates at Stanwick Lakes and report back to the Finance and Performance Sub-committee on progress.

*(Reason: To support Stanwick Lakes and its future sustainability)*

<b>Legal</b>	Power: Local Government Act 2000				
	Other considerations:				
<b>Background Papers:</b>					
<b>Person Originating Report:</b> Julia Smith Head of Customer and Community Services <a href="mailto:jsmith@east-northamptonshire.gov.uk">jsmith@east-northamptonshire.gov.uk</a> 01832 742066					
<b>Date:</b> 1/8/18					
<b>CFO</b> 30/8/18		<b>MO</b>		<b>CX</b> 30/8/18	

**Appendix 1**

**Stanwick Lakes Capital expenditure requirements for the ten years 2019-20 to 2028-29**

						2019-20	2020-21	2021-22	2022-23	2023-24	Total	2024-25	2025-26	2026-27	2027-28	2028-29	Total
<b>Expenditure</b>																	
Play equipment						232,500	10,000	45,000	40,000	81,000	408,500	10,000	10,000	30,000	33,000	119,000	202,000
Bridges - railway line bridges, entrance bridge, footbridges						52,000	40,500	52,000	101,000	5,000	250,500	11,000	20,000	5,000	5,000	5,000	46,000
Footpath network, including old railway line						15,000	5,000	10,000	5,000	5,000	40,000	5,000	110,000	3,000	3,000	3,000	124,000
Boundary fences & other infrastructure						1,000	107,500	28,000	13,000	39,000	188,500	105,000	20,000	65,000	27,000	73,000	290,000
Visitor building remedial works						3,000	8,000	50,000	2,000	3,000	66,000	35,000	87,000	102,000	55,000	4,000	283,000
<b>Totals</b>						<b>303,500</b>	<b>171,000</b>	<b>185,000</b>	<b>161,000</b>	<b>133,000</b>	<b>953,500</b>	<b>166,000</b>	<b>247,000</b>	<b>205,000</b>	<b>123,000</b>	<b>204,000</b>	<b>945,000</b>
RFT						65,000	50,000	60,000	50,000	45,000	270,000	48,000	55,000	50,000	40,000	45,000	238,000
RFT Fundraising						40,000	15,000	15,000	15,000	10,000	95,000	10,000	15,000	15,000	10,000	15,000	65,000
Amount requested from ENC						198,500	106,000	110,000	96,000	78,000	588,500	108,000	177,000	140,000	73,000	144,000	642,000

## Appendix 2 - How Stanwick Lakes helps the Council achieve its corporate outcomes

	A good quality of life where the district will be:	Priority Outcomes
<p><b>Improvements</b></p> <p><b>For the</b></p> <p><b>Community</b></p>	Prosperous	<p><b>Regeneration and economic development</b></p> <p>Brownfield site transformed, social enterprise turns over nearly £1 million &amp; employs up to 40 local people at peak times</p> <p>Major asset that helps to promote the area to businesses and inward investors</p>
	Sustainable	<p><b>Sustainable development</b></p> <p><b>High quality built environment</b></p> <p>Visitor building uses renewable technologies; sustainably sourced timber used for new outdoor structures and repairs. SL has won awards for both design and performance</p>
	Healthy	<p><b>High levels of participation in active recreation</b></p> <p><b>Good public health</b></p> <p>SL helps people become and remain fit and healthy, both through informal recreation &amp; organised health walks, runs and events eg Cyclefest</p>
	Safe	<p><b>Low levels of crime and anti-social behaviour</b></p> <p>Local teenagers use the site out of hours, which keeps them off the streets and potentially criminal activities</p>
	Council services which provide good value for money	<p><b>Financial stability</b></p> <p><b>Good value for money</b></p> <p>For every £1 invested by ENC in capital infrastructure SL generates £13 through the enterprise</p> <p>SL has a low cost/high volume business model which provides excellent value for money in terms of cost/benefit analysis. It is open practically every day of the year.</p>
<p><b>Effective</b></p> <p><b>Processes</b></p>	High quality service delivery	<p><b>Customer-focused services</b></p> <p>SL is in the Trip Advisor Hall of Fame for achieving a Certificate of Excellence five years in a row &amp; scores 4.6 out of 5 stars on Google reviews. We won the Muddy Stiletto's Family Attraction of the Year Award for the county in 2016</p>
	Effective partnership working	<p><b>Strong strategic partnerships</b></p> <p>We work closely with ENC eg on Destination Nene Valley and Nenescape – the Nene Valley Festival. Also working with Freedom Leisure on informal fitness initiatives</p>