

Report to Environment & Economy Overview and Scrutiny Panel

Agenda Item:
A.4

Meeting Date: Thursday 2nd March 2017
 Portfolio: Environment and Transport
 Key Decision: Not Applicable:
 Within Policy and Budget Framework NO
 Public / Private Public

Title: BUSINESS PLAN DEVELOPMENT FOR CARLISLE PARKS
 Report of: The Deputy Chief Executive
 Report Number: CS 05/17

Purpose / Summary:

The report updates panel members on the Talkin Tarn business plan outcomes as requested at the September meeting. It also set out options for a business plan for Bitts Park, building on the successes seen there in recent years.

Recommendations:

1. That Members receive the update on the Talkin Tarn business plan and consider the options presented for Bitts Park.

Tracking

Executive:	n/a
Overview and Scrutiny:	n/a
Council:	n/a

1. BACKGROUND

1.1 Talkin Tarn Business Plan Update

- a. Profit and Loss - The Profit and Loss account for the last full financial year is appended.

The accounts show total income for the year solely generated by commercial activities, of £252,875, and increase of £20,000 on the previous year. The operating profit was £17,931. However when central recharges are included (£50,000) the net budget requirement was £32,069. However this is against a budget figure of £75,000 so represents a saving to the Council of almost £43,000. The original business plan projected an operating surplus of £20,150 for the year so the actual figure fell short of this projection by £2,219.

- b. Car Park Ticket Sales

The total number of Pay & Display tickets sold for the past 3 years are:

2014-15	2015-16	2016-17 (projected)
31,340	35,278	40,600

Representing a 33% increase in just 2 years these are very encouraging figures and demonstrate Talkin Tarn's increasing appeal as a destination for visitors throughout the year. August 2016 saw the highest monthly sales (4,530) since parking charges were introduced and the figure for January 2017 was almost 1,000 higher than the same month last year (3,625).

- c. Opening Hours

Standard opening hours for the Boat House Tea Room are 10.00 – 4.00 with some variations according to season. However the staff are flexible and will often stay later if there is customer demand.

We have in previous years trialled evening opening during the summer months, staying open until 7.30pm. However this proved to be non-viable as the additional costs of staffing the kiosk was not reflected in sales. It seemed that evening visitors fitted a different profile – they came to the Tarn for specific purposes (dog-walking; exercise) that did not include purchasing refreshments. They came later (when car-parking is free) and left as soon as their activity was completed.

Based on these disappointing results we concluded that evening opening was unlikely to generate sufficient revenue to justify its continuation.

As an alternative it may be possible to provide some kind of vending machine to provide drinks and snacks in the evening. We will investigate the potential for this option although there are some immediate issues (security; litter) that would need to be considered. As a 'market testing' exercise we will investigate the possibility of arranging a trial with a suitable equipment supplier.

1.2 Bitts Park Business Plan Options

1.2.1 Bitts Park is Carlisle's showpiece public park, dating from the early 1900s. Over the years of its existence there have been many changes in society and these have been reflected in the way we use our parks and green spaces. The traditional flower borders are much reduced and more of the park is used for sports and active recreation. Health and wellbeing of our citizens were always part of the justification for public parks and in the last few years there has been renewed emphasis on these benefits.

1.2.2 There is a civic tradition of free access to parks and green spaces and this is largely intact, with the exception of some events, activities and concerts which involve an entrance fee. In Bitts Park there are two 'external' providers of paid activities – GLL (who operate the tennis courts, mini-golf and the refreshment kiosk) and Urban Adventure (who operate the high-ropes climbing course).

1.2.3 The City Council continues to maintain the wider park and itself hosts a number of one-off, paid-for events such as music concerts and outdoor theatre. These involved sectioning off a portion of the park for a short time and generally don't interfere with the activities of regular users. The City Council has a schedule of charges which are levied for the hire of space within the park for this type of event.

1.2.4 Current Position - With Bitts Park having been extensively flooded in 2015 there is still a restoration project to be completed in relation to the refreshment kiosk and public toilets. The recreational facilities and refreshment kiosk form part of the current leisure contract and are therefore operated by a third party. Revenue generated at Bitts Park does not come back into the park management budget, which is entirely paid for from the City Council's base budget for parks. The Green Spaces team is responsible for maintaining the park and children's play area.

2. PROPOSALS

2.1 The opportunities for Bitts Park are somewhat different from those at Talkin Tarn. With paid activities in the ownership of third parties there is limited opportunity to develop this aspect of the park ourselves. We will work with our colleagues within the City Council to make sure that the leisure contract delivers the maximum benefit to the park.

2.2 Business Plan – Options

i. Externalise the operation of the park

A radical proposal but one which should always be an option. To make financial sense from the City Council, however, the income from any lease arrangements should be equal to the current income and this may be difficult to achieve when the central recharge contribution is included. Currently the parks are not accounted for as individual cost centres so the task of isolating costs purely attributable to Bitts Park would be considerable in itself.

Financial impact: Unknown and difficult to estimate

ii. Bring the commercial operations back in direct management

The precise reverse of option i. above. With the commercial operations at Bitts Park currently included in the leisure contract there are no direct income streams available to offset the costs of maintaining the park. The refreshment kiosk and hire of tennis courts are the main sources of income at Bitts Park. If these were retained in-house they could be operated on a license but unlike the leisure contract the income would be held within the park budget.

Financial impacts: Difficult to estimate without access to the books of the operator but estimated turnover of £75,000.

iii. Control expenditure

Grounds maintenance is the most costly item in the park budget although as previously reported this is not currently accounted separately. Regular replacement of the floral displays and bedding; grass cutting; shrub and tree maintenance; paths and road maintenance; litter and waste management and inspecting and maintaining the children's play area incur significant costs. In recent years a disciplined approach to the work has led to productivity improvements and while we continue to look for

savings, these are likely to be marginal from here onwards. We could look at the floral displays and bedding in terms of further reductions but they are popular with the public and the risk is a loss of civic pride and reputation. Carlisle is well known as a place of high environmental quality that attracts business and customers and it would have a wider economic impact if this 'branding' is depleted.

A common response by parks departments under financial pressure is to create 'wildlife' habitats – reducing grass cutting frequency is one example. In Bitts Park the event space consumes most cost in this particular regard but to reduce the cutting would result in unkempt grassland, unsuitable for holding events! Our new machinery is extremely efficient at cutting this area – the benefits of fewer cuts would be lost by the extra effort needed to bring the grass back under control when needed for an event.

We recognise the need to control expenditure and we believe our current practice is the most effective – planned work programmes and efficient machinery can help us to keep costs to a minimum while at the same time presenting the park in the best possible light for visitors and potential partners.

Financial impacts: Still some productivity gains possible but difficult to quantify. Withdrawal of seasonal bedding and floral displays may save up to £10,000 (est) but result in reputational costs that outweigh this.

iv. Partnerships

We currently have an extremely productive partnership with Eden Valley Hospice who approached us 2 years ago with the idea of establishing a 'garden of memories' in Bitts Park. The friends and relatives of people who spent their final days in the hospice have a quiet place they can go to remember their loved ones. The garden is maintained with volunteer labour and the plants and materials are paid for by the Friends of the Hospice. In addition the project is eligible for community funding sources and is currently one of 3 projects being voted for by local Tesco customers to benefit from their 'Bags of Help' scheme. If successful the project stands to gain a grant of £5,000.

While this is a singular arrangement with the hospice, there may be other opportunities for us to enter into partnerships that would deliver mutual benefits.

Financial impacts: Revenue saving to the Council difficult to quantify but likely to be in the region of £3,000 - £5,000. Capital costs of development are all found by our partner.

v. Commercial partners

In summer, 2016, with the recreational and play facilities of Bitts Park closed due to flooding we were approached by a number of commercial providers wishing to bring paid activities (funfair rides etc) into the park. We eventually chose a provider of traditional rides and licenced them to set up in Bitts Park during the school holidays.

There may be further opportunities in this regard, although the re-opening of the (free) play area will enable families to enjoy low-cost days out in the summer of 2017. The renewal of the leisure contract also has implications on the proposal as any suggestion that we were setting up in competition may be against the terms of the contract.

The street-trading policy, currently under review, may provide further opportunities for commercial involvement. Again, subject to the leisure contract terms, we may be able to offer 'pitches' for street traders at suitable locations around the park.

Financial impacts: Potential to generate income in the region of £10,000 per annum. Possible additional costs associated with extra visitors (litter clearance etc). Need to avoid penalty clauses associated with the leisure contract.

vi. Parks portfolio – marketing and promotion of parks as venues

Our parks and green spaces collectively represent a considerable asset to the City Council and this is reflected in the significant revenue budgets the Council deploys in their maintenance. Although this has never been successfully quantified there is general acceptance of the economic benefits of well-maintained green space. Our own green infrastructure strategy – Carlisle, the Big Green City – puts the figure at £3.8 *billion* over 50 years.

Up to now we have not managed to present our parks and green spaces as a whole in a way which would be familiar to an economic development professional. One idea is to put together a prospectus for marketing our parks, including Bits Park, and the opportunities they present for entrepreneurial activity. In the case of Bitts Park this may be centred around its suitability as a venue for large events, as is being demonstrated in 2017. With more investment this potential could be developed further.

Financial impacts: Cost of producing and distributing a prospectus, including online – up to £20,000 (est). Return on investment is impossible to quantify at this stage but a summer residency for a funfair could generate £5,000 - £10,000 revenue.

vii. Health – exploring partnerships with public health authorities

Our parks and green spaces make a huge contribution to the health and wellbeing of our citizens. Data for the Big Green City document suggests that the figure of £2.1 billion could be saved nationally if everyone had access to decent green space. Up to now our partnerships with public health bodies has been limited to the walking for Health programme, which has been very successful. We now wish to explore more ways in which this partnership opportunity could be made to work harder for us and deliver greater benefits for Carlisle residents.

Financial impacts: Difficult to quantify but possible shared costs of programmes and facilities.

viii. Developments

Within Bitts Park there are still some opportunities for further (appropriate) development of the facilities, for example:

- Bowling Green – the bowling green has been disused for some years having not been maintained by the leisure contractor. Options may include using it as an area for outdoor exercise equipment (green gym) or to extend the children's play area.
- Riverside Exercise Trail – existing green gym equipment on the riverside path was wrecked by the floods and has been removed. This was a popular facility and could be replaced in a lower-risk location, possibly in partnership with public health bodies.

Financial impacts: Cost of installation - £10,000 to £30,000 (est) capital depending on options and success in securing partnership funding, some revenue costs associated with inspections and maintenance of facilities.

3. CONSULTATION

3.1 As this report was requested by the Panel it has not been consulted on and should be considered purely as a discussion document to explore ideas – it does not contain any firm proposals.

4. CONCLUSION AND REASONS FOR RECOMMENDATIONS

4.1 The Talkin Tarn business plan has proved to be a successful vehicle for managing the Tarn's commercial activities and controlling costs. It is therefore logical to reproduce this model at other sites

5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

5.1 Health & wellbeing – parks and green spaces are a vital asset in maintaining healthy lifestyles and increasing rates of activity. Organised sports taking place at Talkin Tarn and Bitts Park provide outdoor exercise and contribute to mental wellbeing of participants.

Economy – by providing opportunities for local micro-businesses and using local suppliers both Talkin Tarn and Bitts Park are helping to maintain the local economy.

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**Appendices
attached to report:
Talkin Tarn Profit &
Loss Account,
2016.**

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Corporate Support and Resources -

Community Services –

Economic Development –

Governance and Regulatory Services –

Talkin Tarn Profit & Loss Account for the Year Ended 31st March 2016

	2015/16		2014/15
	£	£	£
Closing Stock	<u>3,326</u>		<u>2,766</u>
		3,326	2,766
Income			
Other Grants Reimburs Contribs	4,990		14,999
Car Park Income	51,395		44,334
Boat Hire	241		568
Fishing Income	688		886
Miscellaneous Events	3,114		498
Rental Income	6,548		9,606
Concession	2,466		0
General Sales	6,095		5,733
Sale of Meals & Refreshments	174,011		150,629
Recharges	<u>0</u>		<u>2,600</u>
	<u>249,549</u>		<u>229,852</u>
Total Income		252,875	232,618
Opening Stock	<u>2,766</u>		<u>3,424</u>
		2,766	3,424
Expenditure			
Employee Related	81,261		74,598
Premises Related	59,012		50,791
Transport Related	638		846
Supplies and Services	85,492		69,886
Third Party Payments	<u>641</u>		<u>18,718</u>
		227,045	214,838
Capital Costs			
Depn Impair Losses Cap Cha	<u>5,132</u>		<u>5,726</u>
		5,132	5,726
Total Expenditure Excluding Support Costs		234,943	223,988
Net Profit/(Loss)		<u><u>17,931</u></u>	<u><u>8,630</u></u>
Support Services	<u>50,000</u>		<u>52,400</u>
		50,000	52,400
Net Profit/(Loss) Including Support Services		<u><u>(32,069)</u></u>	<u><u>(43,771)</u></u>