

Proposal for a Community Trust to Manage Morley Park

“A local park run by local people”

Part of the open land attached to the Atkinson Morley Hospital site will be gifted by Berkeley Homes to Merton Council as part of the Section 106 agreement for the development. This will form a new public park, Morley Park. The park will comprise an area of woodland, which is designated as a Site of Importance for Nature Conservation, an ecological area and playing fields. The Council has committed to taking the ownership and financial liability for this site, which has been accepted as an amenity for the community.

As a local community group we are passionate to manage this piece of land as an integrated site, and believe that we have the credibility and expertise to do this in a professional way. We wish to take advantage of the spirit of the new Localism Act, and make a formal bid to take over this park. We have set out the structure and processes for running such an enterprise as a Community Trust, and have identified the people who will support this and the skills that they will bring to the activity. Please let us know how we can take this bid forward over the coming weeks.

Why a community trust would be the most appropriate way to manage the new park

The political context:

- Central Government has an increased focus on localism as a way of creating local responsibility for local resources, improving the cost of running such local resources, and encouraging community benefit from the activity. The Localism Act will convert the philosophy into a right for local residents groups to insist that the council give their proposals for managing local resources serious consideration through the “right to challenge”;
- The Merton Labour party stated in their manifesto that they would encourage the use of Community Trusts to run local resources;
- There is strong support from ward councillors and the local MP;
- In the short to medium term the financial resources for local authorities will be reducing, resulting in fewer staff and less budget.

Strength of local support:

The local area has a strong track record in its ability to set up initiatives and champion local projects. There is strong community support for a Community Trust to run this site:

- The local Community Forum is the most active in the borough; local parks have very active Friends’ groups; the local Residents Associations have strong track records of achievement and very strong communication networks in place.
- At the AGM’s of both local Residents Associations (RAWW and NWWRA), there was near unanimous support for a Community Trust to manage Morley Park.
- Berkeley Homes is highly supportive of a Community Trust running the park.

- We have prominent local residents prepared to act as trustees.
- Others are prepared to donate their professional time to help run the Trust.
- We have willing volunteers to cover some of the day to day tasks.
- We believe that residents will support a Park run by residents by contributing an annual membership donation, and supporting fund-raising events.

This strong local support will thus generate cost savings, additional income, and provide energy and enthusiasm to make this a model community facility.

The timing for the alternative of the Council taking on the management of a new park could not be worse:

- The Council has had to cut the resources for managing and maintaining existing parks and the effects of this are apparent in the condition of our parks;
- The creation of a new park is a heavy drain on management time;
- The pressure on the Council's management resources has been evident in the way the Trust proposal has been considered and throughout the consideration of the Berkeley Homes planning application and the S106 negotiation process.

The suggested second alternative of splitting the management such that the Ursuline School manages the pavilion and playing fields whilst a Trust manages the woodland and ecological area is not viable:

The Council has advised that a decision to have the Ursuline School as the main user of the playing fields has already been made and that this followed an analysis of school needs for playing fields.¹ It does not follow that the school should have overall management of the playing fields and pavilion.

- Many of the facilities will be shared by all park users;
- The playing fields will be accessed by the public when not in use for formal games;
- The education room will be available for non sport/school use in the evenings and during school holidays. It is a community resource which it would be inappropriate to place under the management of the school;
- The costs and potential income streams cannot all be split in this way;
- The apportionment of the S106 dowry would be extremely problematic and lack transparency;
- Local community support for the park would dwindle or disappear;
- The Ursuline School's natural wish to maximise income from the facilities could result in degradation of the facility as well as conflict with local residents, as it does now at the adjacent Oberon playing fields.

Why Morley Park Trust (MPT)?

LUNG is a local community group, formed by local Residents Associations to preserve the Atkinson Morley open land. Through their foresight and organisation, LUNG set up Morley Park Trust (a charity and a company limited by guarantee) some eight years ago so that it would be in a position

¹ In response to a Freedom of information Act request the council advised that the analysis of needs would be published in the Merton Sports Pitch Strategy. This was published in draft format in October but there does not appear to be any such analysis.

to take on management of the park.

MPT would manage the park with a strategy of both economic and environmental sustainability. Its aim would be to retain the capital value of the dowry and employ only interest from its investment. MPT would seek to support appropriate income generating activities and use volunteer resources where possible to close the gap between income and expenditure. Evidence suggests it is unlikely that a park can be self-funding but the efforts and imagination of MPT would minimise any need for council support.

The local community group which set up MPT has already worked successfully in a number of areas:

- It was a driving force for the adoption of the Merton Planning Brief which defined the planning requirements for the Atkinson Morley site;
- It has engaged expert professional bodies from whom they have commissioned surveys, reports, analysis, figures, advice, and have shared that material with Merton;
- It has created detailed figures and business plans for the site which have been shared with Berkley Homes and the Council;
- It has held public events and meetings to engage with the local community and generate support;
- It established a harmonious and successful relationship with Berkley Homes that allowed for a 'win-win' solution to the planning application. This work was acknowledged as special and unusual at the Planning Applications Committee meeting;
- It successfully funded 9 years' campaigning by their own resources, mainly through the running of a Victorian Fair;
- It has shown its ability to master complex situations and create clear and focused strategy through its detailed and expert analysis of all planning applications for the AMH site;
- It has influenced the final plans and specifications for the park including those for the boundary treatment, access, sports pitches, pavilion, and cottage;
- It has an in-depth knowledge of the site and its issues.

How Morley Park Trust would manage the park

- The prospective trustees would like to create the final agreed structure in dialogue with the Council, local Residents Associations and the Developer.
- MPT would need a long term lease for the entire park (including all the sports facilities), and the powers to enter into leases with prospective users of the park facilities, and to contract for the provision of services. The dowry would need to be transferred to the Trust.
- It would need a trustee function in order to provide checks, balances, challenge and support to the day to day running of the Trust. We would see these trustees as being drawn from councillors, local residents, local organisations (such as the Conservators), and those with specialist skills and knowledge (such as lawyers, accountants and wild life management etc).
- There would also be a need for day to day management. Tasks would include oversight of sub leases and maintenance contracts, book keeping, membership management, volunteer coordination and events' organisation.
- In addition to the core LUNG team a number of people have indicated their wish to donate their services to the Trust including:

- Gerald Jones, recently retired Chief Executive of Wandsworth Council;
 - Tony Edwards, a landscape architect who runs a practice involved in the management of open spaces. He is a member of the Design Council and the Merton Design Review Panel, and a Trustee of the Landscape Institute;
 - Gordon Vincent, Chief Executive of the Commons Conservators
 - Chris Mountford ex-head of Leisure Services at Merton Council;
 - Andy Moore, Commercial Director of KCS Enterprises, which runs the playing fields for KCS school and commercial and holiday lettings;
 - Dave Dawson, a highly regarded local ecologist;
 - Russell Field, Chartered Accountant; and
 - Peter Beckwith, Chairman of PMB Holdings, has volunteered to act as a trustee
- It is expected that the Council would impose conditions in the lease so that it can be terminated if MPT fails to achieve financial and other targets.

The Morley Park Trust financial and business plan

An initial detailed cost plan for MPT, based on the best data currently available to it from a number of sources, is attached as Appendix A. The data is provided to demonstrate how far we have got in our preparation to make a bid to manage the whole park. All income and cost assumptions require further verification.

We have to date been hampered by the lack of information on the outcomes of the Council's discussions with the Ursuline School. We have no detail of the School's proposed use of the fields, the preferred contractual arrangement, or the annual payment that can be expected from them as rental. It is assumed this data will be available in due course to provide a realistic estimate for the total income from sports use, greater certainty on other assumptions within the budget, and enable a balanced assessment of alternative submissions for park management.

It is however clear that a substantial financial contribution is required from the school or Council to make the playing fields financially sustainable. No community trust could take on the park as currently configured without resolution of the potential underlying revenue deficit generated by the sports facilities. The revenue deficit in the Trust's plan is prior to inclusion of any income for the school's use of the facilities.

Income generation

The Trust's objective would be to generate sufficient income to ensure that annual running costs are covered and a small surplus is generated to ensure that the Dowry Capital reserve is not depleted. A Trust has several advantages over a council and this is reflected in the plan. To realise this income potential the Trust would aim to create an identity for the park that would catch the community imagination, perhaps referring back to its 19th Century philanthropic origins. What a Community Trust can do that a Council cannot is:

- Generate fundraising events (such as the Victorian Fair);
- Create strong membership schemes that generate income for the Park;
- Make it the focus of income generating community activities (such as local parent groups, exercise programmes);
- Make good use of the volunteer skills available to the Trust to make grant applications;
- Seek sponsorship from local businesses.

The assumed income from AELTC parking is subject to negotiation.

Cost control

LUNG has been hampered in its ability to acquire detailed estimates for the park by its current lack of formal status as a prospective manager of it. We have nevertheless obtained estimates for most of the major costs. We propose to seek economies of scale wherever possible by joint commissioning.

- The largest single cost is sports field maintenance. Our estimate for this has been provided by a contractor recommended by 2 local users of their services. These costs are consistent with a less formal estimate obtained earlier from another contractor;
- The other sports facility management costs are consistent with informal estimates received from a local service provider;
- We believe that substantial economies on sports facility costs could be achieved by joint management with the adjacent Oberon fields. We have been unable to follow this up as the Council is not yet able to tell us which organisation will be leasing the Oberon;
- Berkeley Homes and the Trust are awaiting an updated plan and estimate for the joint management of the area of SINC woodland retained by Berkeley Homes, the park woodland, the SINC lawn retained by Berkeley Homes and the park ecological area. In the meantime the maintenance costs are derived from inflated costs from the earlier management report and costings commissioned by LUNG from the contracting arm of the London Wildlife Trust combined with estimates in Berkeley Homes' financial plan;
- Wherever possible the Trust will seek to use volunteer resources to keep costs down. This is reflected in the plan.

Management of the Dowry Reserve

The Trust will aim to ensure that the Dowry reserve is protected to ensure that proper Capital Expenditure can be undertaken from time to time. The current plan, however, shows a revenue deficit eating into the reserve due to the lack of any estimate for income from the Ursuline.

APPENDIX A

Morley Park Community Trust Financial Plan – see next page

Morley Park Community Trust

Woodland, boundary and meadow

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Annual tree inspection	500	500	500	500	500	500	500	500	500	500
Tree works	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Control of Japanese knotweed	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Landscape maintenance	2,000	2,000	2,000	2,000	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	1,000	1,000	1,000	1,000

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Other annual expenditure

Legal fees	250	250	250	250	250	250	250	250	250	250
Audit fees	800	800	800	800	800	800	800	800	800	800
Accounting and treasurer (pro bono)	0	0	0	0	0	0	0	0	0	0
Contingency	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Total Expenditure

67,000 66,355 66,355 66,355 66,355 66,355 66,355 66,355 66,355 66,355 66,355

Surplus income before

Capital and maintenance expenditure transferred to Dowry reserve account

-15,140 -12,395 -12,395 -12,395 -12,395 -12,395 -12,395 -12,395 -12,395 -12,395 -12,395

Morley Park Community Trust

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Dowry Reserve account										
Initial dowry received/ Balance b/f	360,000	344,360	341,296	337,790	329,528	326,019	322,055	308,321	294,176	289,256
Initial legal fees	-7,500									
Other set up costs	-2,500									
Transfer from Revenue account	-15,140	-12,395	-12,395	-12,395	-12,395	-12,395	-12,395	-12,395	-12,395	-12,395
Capital and Significant maintenance	-1,000	-1,000	-1,350	-6,000	-1,000	-1,350	-11,000	-11,000	-1,350	-6,000
Investment income	10,500	10,331	10,239	10,134	9,886	9,781	9,662	9,250	8,825	8,678

Balance carried forward 344,360 341,296 337,790 329,528 326,019 322,055 308,321 294,176 289,256 279,539

Interest rate 3% 3% 3% 3% 3% 3% 3% 3% 3% 3%

Capital and Significant maintenance

Ecological survey and management plan										
Car park resurfacing etc			350			350	5,000		350	
Fencing replacement								10,000		
Cottage maintenance				2,000			2,000			2,000
Pavilion maintenance				3,000			3,000			3,000
Contingency	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Total expenditure 1,000 1,000 1,350 6,000 1,000 1,350 11,000 11,000 1,350 1,350 6,000

Morley Park Community Trust

Notes and assumptions in preparing the attached financial plan for Morley Park

Income and Expenditure

1 *Sporting facilities*

The pitch rental income assumes only weekend and evening rental. The 2 junior pitches are assumed to be rented out for 3 matches a week for 28 days of the year at £55 per pitch. The senior pitch is assumed to be rented out for 3 matches a week for 28 weeks at £80 per session. The senior pitch rental in year one is assumed at the lower junior rate as it is deemed unsuitable for adult use when new laid. The maximum useage for weekend and evening rental will depend on the proposed type and hours of use during school time.

Evening and weekend rental of the training room assumes 3 rentals per week at £40 per session for 35 weeks of the year. To achieve this it is essential that a small kitchen area is provided.

The potential income from holiday club use requires further investigation. The estimate previously used by Berkeley homes has been used.

At the time of producing this plan no information is available from the Council on the outcome of their discussions with the Ursuline on either hours of use or the payment expected for use of the facilities, and no assumption has been made. It is accepted that the rental assumed for the weekends and evenings will need to be adjusted to accommodate the planned school use.

2 *Other Income*

The £10,000 from AELTC parking is the rental achieved when the fields were last used for AELTC staff parking in 2003. LUNG has been advised that the AELTC are potentially interested in using the fields again but there has been no discussion of terms.

The income from the cottage is based on £1500 a month for 11 months of the year i.e. assuming rental gaps.

Morley Park Trust membership assumes 200 households pay £20 a year each. This is probably a modest assumption given the success of previous appeals and the level of local support.

3 *Whole park*

Non domestic rates - Charities are entitled to 80% mandatory relief where the property is occupied by the Charity or Club and is wholly or mainly used for charitable purposes. The Council has discretion to give further relief on the remaining bill.

4 *Playing fields & Pavilion Management*

The sports field maintenance costs are as provided by a local contractor. Estimates include labour, machinery, fuel and marking fluid, annual renovation, and fertilizers. The maintenance and renovation assume the football pitches being used September to April and other use by children during the summer e.g. rounders, holiday club, athletics (avoiding heavy wear areas subject to renovation). It allows for cutting the grass to the boundary (i.e. including the path), and line markings as required.

Cleaning pavilion/changing rooms (allows for 6 hours per week at £12/hr). The actual cleaning requirement will be dependent on arrangements with the Ursuline.

Site supervision at £14/hour for 8 hours per weekend (weekend lock/unlock/sweep). Potential for volunteer resources to reduce costs to be investigated.

Allowance for utility costs - actual dependent on specification of new boiler, school use of changing rooms etc

5 *Cottage*

Estate agents fee for full management at 12.5% plus VAT.

Routine maintenance including redecoration between lets, maintenance of boiler and other equipment etc.

6 *Woodland, boundary and meadow*

Control of Japanese knotweed - pessimistic assumption that it respreads from neighbouring properties in Lindisfarne. Based on old LWT estimate inflated.

Dowry reserve

1 Other set up costs - includes purchase of equipment.