

AGENDA ITEM No. 11

PEAK DISTRICT NATIONAL PARK AUTHORITY

NATIONAL PARK AUTHORITY MEETING

24 SEPTEMBER 2010

OPERATIONS

PART A

1. FUTURE OF LOSEHILL HALL AND NATIONAL PARK LEARNING SERVICE (A.164/RC)

Purpose of the report

1 This report addresses the options for the future of Losehill Hall and the National Park Learning Service in context of the cuts in public spending as they are expected to affect the Authority.

2 Recommendation

1. That this meeting considers the detailed financial and other relevant information concerning the options for the future of Losehill Hall and the National Park Learning Service in the accompanying Part B report

How does this contribute to our policies and legal obligations?

3 The Government's top priority is to tackle the fiscal deficit and cutting the national debt. Whilst the Authority's work is held in high regard, it must adjust to a smaller core grant from Government. In the face of public spending cuts and there is a legal requirement on the Authority to set a balanced budget for 2011/12 and have financial plans in place for subsequent years.

4 The second statutory purpose of national parks is that: 'people should be able to enjoy the National Park and understand what makes it a special place. It is important that people have the opportunity to experience, enjoy and learn about the National Park and why it is special but then also to have the opportunity to contribute to looking after the National Park'. The National Park Management Plan outcome for Understanding is that:

By 2011 there is increased understanding of the special qualities of the Peak District National Park amongst target groups so that they:

- Feel welcome in and know that they are in the National Park
- Understand why it is a special place
- Have the opportunity to influence decisions that affect them and respect each other's needs
- Have the opportunity to make a personal contribution to sustainable management of the National Park

5 The Authority's corporate objective under Outcome 8 states that; 'by 2011 there is increased understanding of the special qualities of the Peak District National Park amongst target groups'. Losehill Hall services contribute to the achievement of this objective through a clear set of measures, indicators and targets relating to service outcomes in the Business Plan delivering services to key target audiences to widen access and promote understanding. The following Authority strategies are supported

through the Business Plan: Working with People and Communities Strategy, Children and Young People's Action Plan and Under Represented Groups Action Plan, Recreation Strategy. The Plan is monitored annually through a report to the Audit and Performance Committee and the work of the (member) Business Strategy Monitoring Group.

- 6 A report to the National Park Authority meeting on 10 September 2010 outlined a proposal (which was amended at the meeting) to:

“Reduce substantially the net cost of providing Environmental Learning and outreach work currently provided by Losehill Hall and look to ways of reducing the net costs of Losehill Hall to nil including through partnerships and/or disposal with full details to be discussed at the Authority meeting on 24 September 2010”.

- 7 This report relates to a strategy, consistent with the proposal above, for highly focused National Park learning services that are not dependent on significant Authority-owned buildings for service delivery. The strategy would comprise a small 'core' service, together with the capacity to deliver partnership projects. The proposal is consistent with the overall aims of the Asset Management Plan (the subject of another report to this meeting), partnership working and the Authority's current Working with People and Communities strategy.

- 8 Options for the future of the premises at Losehill Hall would be accommodated through proposed savings targeted over up to two financial years (2011/12 and 2012/13), which is consistent with a report to the Authority on 10 September 2010 and information previously shared with the Strategic Advisory Group.

Background and Proposals

- 9 This report and the associated Part B report are broadly structured as follows:
- A summary of background information concerning Losehill Hall services
 - A summary of the history of recent reviews and options previously considered
 - The consultation process in 2010 concerning the management team proposal to close and dispose of Losehill Hall
 - The options for a National Park Learning service delivery, together with a summary of the impact on service outcomes, in relation to the management team proposal
 - A summary of the implications for closure of the Centre in preparation for disposal on the open market, and how these might be managed
 - Proposals concerning a possible partnership for service delivery, and the associated options for a disposal of interest in the Centre

Current budget

- 10 The 2010/11 revenue budget is £396k (this excludes slippage but includes projects such as Longdendale). The total Losehill expenditure budget for the year is £1,335,247 with contributing trading income budgeted at £938,997. Losehill Hall has a delegated (up to) £250k capital programme (which at the time of writing is suspended).
- 11 The full cost of the service as shown in the annual accounts is £581k. The full cost includes asset depreciation and recharges of the Authority's support services. These elements add about £180k to the revenue budget cash cost of £396k. The depreciation is difficult to be exact about because depreciation requires an assessment of asset life and residual value (which is probably long and high in the case of Losehill Hall). In addition there is the opportunity cost of owning the asset rather than being able to use

the cash tied up in the asset for other purposes. The support service costs are identified through the support service recharge model and although this is not an exact science it permits an identification of indicative costs of services supporting Losehill Hall (taking into account of inputs from Losehill Hall-based support services). As part of the Authority's overall budget plan there are proposals for reductions in support services (Human Resources, Finance, ICT and Property) to reflect the expected reductions in operational services.

Current service outputs summarised

- 12 In 2009/10 Losehill Hall delivered services to a total of 22,500 participants, 17,542 of who were children/young people/family & community learning participants (and their teachers/guardians/educators). A further 1,017 of the total were people participating in professional training or consultancy and 3,899 were conference delegates. The business mix includes the services delivered at Longdendale and Longshaw (with the National Trust), together with projects such as Moorlands as Indicators of Climate Change (MICCI).

Losehill Hall local operational context

- 13 Losehill is an important employer and purchaser of local services and supplies within the Hope Valley area, generating an estimated £2 million per annum for the local economy (University of Derby, 1999).

Service review history

- 14 A summary of the history of the review process for Losehill Hall is provided below. This illustrates the experience and organisational learning and development relevant to the identification of the current environment and proposals:

- 15 **1999/2000** Best value review reported to Park Management Committee
- 2004** Senior management team proposed to conduct a strategic review of Services (best value-style and linked to the Performance Improvement Plan). Environmental Education was to be the first such review
- 2005** January – Audit and Performance Committee – a establishment of Losehill Hall Member Task Team (including: options for asset, financial target, environmental learning service performance improvements, scope for a trust, social inclusion, sustainability)
- 2005** June – Audit and Performance Committee – Losehill Member Task Team interim findings
- 2006** January – Audit and Performance Committee – a report from the Losehill Member Task Team proposing to retain the asset and develop a business strategy and: *“that the long-term possibility of eventual disposal of Losehill Hall should remain on the Authority’s agenda, but that disposal/arm’s length operation should only be for the most positive of reasons”*
- 2006** November – Strategic Advisory Group steer towards investigating a joint management venture or disposal of the asset
- 2007** January – Audit and Performance Committee – an in principle commitment to developing further the Business Strategy to be reported to Services Committee and: that a further comprehensive consultation be undertaken with a range of relevant bodies on the future Business Strategy for Losehill Hall

- 16 In both the 1999/2000 and 2005/06 reviews, options for the future of the Centre and its services were identified and evaluated. At the time the plan was adopted it was noted that the Authority fully embraced the plan but noted that it may review its position if the operating environment were to change. In previous reviews, managers had identified a range of options broadly based on three main strategies: service improvements based on an existing model (the option that Losehill Hall is currently successfully delivering); a partnership for the management of the Centre and delivery of National Park learning services; delivery of a services that did not depend on the asset. Some variations on these main strategic themes were also identified, giving 6 options:
- A. Develop current business model
 - B. The Hall as a residential centre for young people
 - C. Contract with the private sector to operate the Centre as a conference facility (with any surplus revenue going towards National Park learning services)
 - D. A joint management venture (a partnership model, with any surplus revenue going towards National Park learning services)
 - E. Losehill Hall as part of a charitable trust (a separate entity from the Authority)
 - F. Disposal of the asset
- 17 In the process of clarifying the future direction of the development of the business, a legal opinion was sought through the Authority's Counsel in relation to the Authority's 'powers to trade' as conferred through various Acts. A 'second opinion' was provided through a UNISON brief to its own Counsel. This restricts the commercial activities which the Authority may engage in and, in both opinions, confirmed the trading parameters for a business model which is currently being delivered. Also in the 2005/06 review a number of non-prejudicial expressions of interest were sought from potential partners/interested parties. Previous consultees/correspondents included: other National Park Authorities, the Forestry Commission, Natural England, Defra and several individuals.

Consultation process and responses 2010

- 18 The proposal has been communicated to and discussed with Losehill Hall staff (and UNISON/Staff Committee) by the Director of Operations, Head of Losehill Hall and the Chief Executive. A summary of the consultation process to date is provided at Appendix 1 of this report.
- 19 Understandably, there has been a strong response to this proposal by staff at Losehill Hall and some external parties. The latter have included schools currently using Losehill Hall as a venue for environmental education, particularly for primary age groups, and some members of the general public using Losehill as a venue for countryside and environmental training and recreation.
- 20 Throughout the consultation process with staff it has been made clear that the proposed overall objective is to save £300k under the 30% cuts scenario and £250k under a 20% scenario, together with proposals for a National Park learning service which may be delivered for up to £96k (net revenue budget) without the asset.
- 21 Staff were asked to provide any suggestions or outline proposals to the Director of Operations by the end of August 2010. Managers appreciate the issues associated with the timing of the consultation in context of corporate planning between advice from Defra towards the end of June. The collective staff response is provided in full at Appendix 2 of this report. The summary of the response is provided below.

22 **Summary Losehill Hall staff response to management team proposal**

The proposal from the Authority's Management Team to move to a reduced delivery of learning services through a small HQ function and to dispose of Losehill Hall is not supported by staff. Staff are aware of the need for the Authority to make budget cuts that will enable it to respond positively to the outcome of this autumn's spending review. However, staff challenge the scheme currently proposed as the loss of jobs, service delivery capacity, economic impact and future development opportunity are undesirable consequences of this approach and alternatives that minimise these negative impacts are available. Staff challenge the decision to make budget cuts first in areas that have the greatest impact on jobs and that these decisions on the future of such a proportionately large number of jobs will be made in advance of final announcements of the next spending round due later in the autumn. Staff have identified alternative options which enable the Authority to make the required budget savings of between £250,000 to £300,000 over a three year period.

23 Staff propose that the alternative options are:

- A partnership with a similar or complementary organisation
- Supported transfer to a charitable organisation
- An enhanced commercial model
- Development of a flagship centre that would return a trading surplus

Key elements of the staff collective response are addressed in this report.

24 At the same time as consulting with staff, the Chief Executive and other managers have contacted key stakeholders seeking views and any suggestions in relation to the future of Losehill Hall and learning services. The responses to date are included in the Part B report. They include concerns about the future role of the property and how the Authority might meet its statutory second Purpose. Non-prejudicial expressions of interest were received from two parties concerning possible disposal of an interest in Losehill Hall by the Authority. It should be noted that a proposal to dispose would follow the Authority's Procedure for Disposal of Assets (see below).

Proposed Service outcomes in relation to the proposal to close and dispose

25 It is evident to managers that a National Park Learning Service could be provided that is not dependent on the Authority owning a property such as Losehill Hall. It is proposed that there are two models for delivering National Park learning without Losehill Hall, depending on the available reduced resources. The two options are summarised below and outline budgets are provided at Appendix 3 of this report. The details of the options depend not only on the budget available but also an interpretation of how best to meet outcomes of the current Working with People and Communities Strategy and development of learning as a tool in delivering Corporate Objectives. Both models provide direct service delivery and additional wider delivery through partnership and funded projects. Option 2 also serves to demonstrate how Option 1 might be scaled up in the future, subject to resources.

26 The proposals here should be viewed in context of the ways in which Promoting Understanding services are provided across the organisation. Losehill Hall services have been a significant part of that work and the new National Park Learning Service would continue a similar role alongside the work of the Communities Policy Officer, Rangers and others.

27 National Park Learning Service - Option 1

Key outputs:

- Net budget £96,000
- 9,521 service users
- 75% key target audience
- 51 % current delivery

28 Option 1 focuses on strengths in providing learning services for young people and in developing further work with families and communities. This option continues to provide key services with a reduced budget. Priority is given to delivering in partnership with National Trust at the Moorland Discovery Centre and in continuing delivery at the Longdendale Education Centre, currently without a funding partner. Delivery from the Longdendale Education Centre will, as it does now, focus on work with primary aged children. Secondary school aged young people and a smaller percentage of primary children will take part in learning at other locations throughout the National Park. This option has some capacity for future project and partnership development and will continue professional development work for teachers. However, this option does not offer additional resources to support matched funding. Projects developed under this option would need to cover the majority of staff and delivery costs from grant or partnership funding.

29 Project development would focus on growing services for young people, families and communities from identified key target audience groups. The environment of Losehill Hall is an advantage when working with certain priority groups so alternative venues/ways of working would need to be sought without the Centre.

Potential project development with grant or partnership funding could include:

- Improving Mental Health Partnership
- Kirklees and Barnsley Partnership
- Peak District National Park Young People's Award
- Next Stage Youth Ranger Programme
- MICCI
- Young People Environment & Leadership Project

30 The overall aim of direct and project learning activity would be to help more people, from all backgrounds to understand what is special about the Peak District National Park and give them the knowledge, skills and confidence to make their own contribution to the sustainable management of both the National Park and the wider environment. Learning would focus on National Park priorities including Biodiversity, Food and Farming and Climate Change. Young people and families and communities would take part in learning at sites around the park, including:

- Moorland Discovery Centre, Longshaw Estate (National Trust)
- Longdendale Education Centre, Bottoms Reservoir
- Langsett Barn, Stocksbridge as well as outdoor sites around the Park such as Stanage, Crowden and the Derbyshire Dales.

31 It should be noted that the Authority and the National Trust have committed to partnership working at Longshaw Estate until at least March 2013. The Longdendale Education Centre was previously operated in partnership with United Utilities. The latter have recently withdrawn from such partnerships. Losehill Hall managers are currently negotiating with the Company the terms of a lease on the facility. The cost of the service without a contribution from the Company is currently included in the Losehill Hall baseline budget.

32 National Park Learning Service - Option 2

Key outputs

- Net budget £150,000
- 12,270 service users
- 81% key target audience
- 66% current delivery

33 With a net budget of £150,000, Option 2 would focus project development on increasing participation from the Authority's key target audiences. This option would support further project and partnership development to multiply the Authority's investment in Learning. Young people, families and communities will benefit from targeted activity linked to the Authority's corporate objectives work in priority areas – in particular, biodiversity, climate change and landscape and environment. The model includes a development resource to support delivery of Authority key messages by others, including teachers and other partner organisations. The fund will also seed project start ups that would attract additional funds to deliver much more than the budget could hope to in isolation.

34 Option 2 also includes resources to support a project programme with paid for activity for key target audiences. An example of this could be a version of the Youth Ranger Programme. Project development with additional resources outlined in Option 2 would in the medium term develop services to reach beyond the current total of 18,000 people taking part in National Park learning each year.

35 It should be noted that in making comparisons between the current and the proposed services, emphasis should not necessarily be placed on the measure of the total number of participants because the modes of service delivery would be different. A key issue with National Park learning projects is that they would be focused on an overall Authority strategy for promoting understanding. As such, additional services may target smaller number of participants, particularly those identified as underprivileged and having the greatest need.

Impacts on staff of reducing resources

36 There are 28.2 FTE posts (41 individuals on contract and 45 casual staff) in the Service, and whilst some may be continued through the proposal for a reduced service, or through a partnership (see below), there would regrettably be a number of job losses resulting from closure and disposal of Losehill Hall. Many colleagues have long and loyal service with the Authority and have made a significant contribution to the Losehill service over many years. Managers recognise and greatly value the commitment and contribution of all staff at Losehill.

37 Changes would be managed through the Authority's 'Managing Change' policy. policy with staff being considered for any redeployment opportunities during a 12 week redeployment period prior to the greater of contractual/ statutory notice during which redeployment opportunities will continue to be sought. Whilst redeployment will be a real aim the number of opportunities will be limited in an organisation forced to reduce in size. Staff will be offered help with c.v. development, job search techniques and interview skills to help them with their job search internally and externally. In addition staff are being given individual guidance and advice on request from the Human Resources team, the UNISON representative and Staff Committee. TUPE (Transfer of Undertaking (Protection of Employment) would be applied if elements of the business were to be transferred to a third party (see below).

Redundancy costs

- 38 Redundancy costs have not been calculated in detail at this stage in part because the precise staffing structure for various options has not been identified. As an indicative figure it has been estimated that the total cost of redundancy for all posts would be in the order of £130k - £140k. In addition to this overall estimate, figures from Derbyshire County Council indicate a cost of £56.5k for a number of staff at who are between 55 and 60 years and, therefore, entitled to immediate release of pension.

Valuation of the asset

- 39 The District Valuer has provided a report (addressed in Part B).

Asset disposal

- 40 In seeking to reduce the costs of Losehill Hall to nil the options are to close and dispose through sale, or to dispose of an interest through a lease. The Authority has a procedure for the disposal of assets which state: "that Disposal includes sale, lease of more than 7 years, assignment of unexpired term of lease and grant of other rights such as easements". The fundamental principles for disposal are that:

- Section 123 Local Government Act 1972 imposes a legal obligation on the Authority not to dispose of land (otherwise than by way of a short tenancy not exceeding 7 years) for a consideration less than the best that can reasonably be obtained, except with the consent of the Secretary of State, either through the General Disposal Consent (England) 2003, or through specific consent
- Disposals are also subject to the principles of open competition, fairness, transparency and reasonableness
- Disposals must comply in all respects with the Authority's Standing Orders

The return from any disposal is to be maximised by giving all potential purchasers an opportunity to tender/submit an offer, unless either

- A "special purchaser" is identified, namely one who has a legal interest in the asset, such that significantly diminishes the value of the Authority's freehold reversion **and** is prepared to pay a premium for the asset over the market value as assessed by the District Valuer or a RICS qualified surveyor, or
- There are justifiable overriding factors. These overriding factors must be such that are considered by the Authority to be likely to achieve the promotion or improvement of the economic, social or environmental well-being of the area, having regard to the Authority's strategic outcomes as identified in the National Park Management Plan.

- 41 The return from any disposal is to be maximised by marketing on the open market, unless the Authority can justify not doing so on one of the specified grounds, namely disposal to a sitting tenant or where it is considered likely to achieve the promotion or improvement of the economic, social or environmental well-being of the area, having regard to the Authority's strategic outcomes as identified in the National Park Management Plan. In this case, the Authority can invite tenders from a select list or in exceptional circumstances dispose of to a single party. In such a situation, the disposal would be treated as at an undervalue and would need a District Valuer's valuation which complies with the Technical Appendix to the General Disposal Consent (England) 2003.

In order to do this the Valuer would need to be told what restrictions (if any) are being imposed.

42 A number of investments have been made that have improved access for all in respect of working with members of the public, and in particular with key target audiences. It has been confirmed that the following grants remain relevant:

- A Government Office for the East Midlands capital grant of £76.4k for 'Access for All' with a 20 year life span from 1998 and to "*cater effectively for people with disabilities, providing up to date facilities to enable them to integrate fully into all educational courses and activities*" (at 60% of the life span, the depreciated sum would be potentially £44k, see below)
- A grant £9,710 from the Derbyshire County Council 'Aiming High' Fund (2010) for an equipment and bedroom facilities upgrade with no contract and no conditions identified
- A National Institute of Adult Continuing Education 'Peak Wise People' capital grant of £6,913 for a gazebo-type shelter. No timescale was stipulated. Terms include: "*The grant is recoverable to the extent it is not used for the purposes for which it is given*"

Managing impacts associated with closure and disposal – ceasing trading

43 If a decision is taken at this meeting for the Authority to withdraw from service provision at Losehill Hall in order to sell the asset there are a number of options in considering the most appropriate date to cease trading. These are addressed in the Part B report.

Property management costs after closure

44 If the Centre were to be closed without immediate sale or transfer, managers have estimated that the net direct property management costs (caretaking, security etc). Detailed information is provided in the Part B report.

Asset disposal – outline context for possible future uses

45 In reaching a decision about the disposal of the asset managers would need to consider the relationship between the main buildings (the hall and mews) and the bungalow. It is possible that a third party may be interested in the latter as an operational asset (in a similar way to how it has been managed by the Authority) but the Authority would need to consider the options and value of the bungalow in the disposal process. It may be necessary to obtain professional advice on the state of the property market and predictions around future trends in that market.

46 This is a Grade II listed building with some more recent (1970's and 80's) extensions which are of no particular merit and arguably inappropriate. The current use as a residential educational/training centre falls within class C2 of the Town and Country Planning (Use Classes) Order 1987. Examples of other uses falling within the same use class are a hospital, a care home, nursing home and a residential school. Whilst the change to any of these would not be development requiring planning permission as they fall within the same use class, a change of use to a use falling within a different use class would be development requiring planning permission.

47 A change of use to uses other than that for which it is currently used (NB it was designed as a private home and become a residential outdoor centre prior to the Authority acquiring it) was designed could be allowed in the interests of securing the future of the

listed building and its setting. This is subject to the new use not leading to significant changes to the building, its curtilage or require new access or that would adversely affect its character or surroundings. Significant changes could amount to extension of car parking area, loss of trees or outside storage.

- 48 Changes to the original listed structure would require special justification and therefore likely have to be minimal. However, a scheme which removed modern extensions and replaced them with more appropriate new extensions may be acceptable as this potentially could bring about significant enhancement of the listed building and its setting. Potential schemes would have to demonstrate a high standard of design with particular emphasis on scale and massing in relation to the original historic building. It is probable that we would want to see a reduction in the footprint of the current extensions if such a scheme were to be considered but this would have to be the subject of more detailed advice.
- 49 This allows the possibility of a range of uses such as (references in parentheses relate to the different classes of use within the Town and Country Planning Use Classes Order 1987):
- Residential uses including single house, flats - full time or holiday units (C3), institutional uses such as a hospital or care home (C2); guest house or hotel (C1)
 - Employment uses such as office, business uses (B1)
 - Non-residential institutions such as clinics, creches, day nurseries, education (D1)
 - Retail uses and professional services that would normally be found on the high street, e.g. estate agents offices, travel agents, which depend on passing trade to an extent will not normally be acceptable in this location. This is because both national and local planning policies direct such uses to within existing settlements where the services can be more easily and sustainably accessed by visiting members of the public

Option to develop the current Losehill Hall business model

- 50 It is clear from performance reports (Audit and Performance Committee, 2009 and 2010) that Losehill Hall has been able to meet its income and other performance targets. Prior to addressing the need for large-scale savings across the Authority, officers believed that net revenue budget savings in the order of £80k might be made within a three year period. This would have been achieved through a re-development of the business model and possible re-structuring of the staffing resource.
- 51 It is likely that the focus would have been on reducing the provision of environmental training for professionals whilst developing the family and community learning business. This would have been consistent with Counsel's opinion concerning trading as mentioned above. In other words, there is little scope for the Authority to radically change the model in pursuit of more commercial activity outside of the current product areas. An on-going programme of savings through efficiencies would have contributed to this model.
- 52 Whilst the potential for development of the business model (in keeping with Counsels' opinions) was valued and recognised by senior management team, it was felt that under the circumstances this route can no longer be supported. This conclusion was reached partly because of the scale of cuts required across the organisation (in the management team savings proposals Losehill Hall represents £300k out of £2m or around 15% of the target total, or around 37% of the projected 2011/12 target) and partly because the agreed performance targets for Losehill Hall are focused on the public sector.

Are there any corporate implications members should be concerned about?

53 **Financial:** The financial information provided in this report uses indicative figures where possible scenarios or future predictions are concerned. Depending on the exact outcome of this meeting there are a number of areas where further detailed financial information would be required (for example, the costs of maintaining a closed asset or the costs of identifying and establishing/transfer under a partnership). The financial implications for the Authority of the options identified in this report can be summarised as:

- Proposed savings of £300k on the revenue budget can be made by closing Losehill Hall, disposing the asset and operating a new National Park Learning Service
- It is thought that the above savings may also be made through a partnership based on the asset and for which responsibilities for the asset would be transferred to the partner
- The cost of the deficit on the Losehill Hall revenue budget as a result of closure (and ceasing trading) is likely to be met through a combination of the 2011/12 and 2012/13 budget savings proposals
- The cost of redundancy and early release of pension would be met through the Authority's contingency reserves
- It may be necessary to meet the cost of managing the vacant asset from Authority reserves, depending on the length of time that the asset remains empty and how other costs are managed down (for example, the costs of ceasing trading)
- The direct cost of preparing the asset for disposal on the open market would be netted against the capital receipt (including the depreciated GOEM grant referred to above)

At this stage it is difficult to judge the risk level associated with possible negotiations in a partnership proposal.

54 **Staffing:** The closure of Losehill Hall would regrettably create compulsory redundancy of some staff, many of whom have long and loyal service with the Authority and contributed significantly to the Losehill business over many years. The staff will be supported in the change through the relatively good provisions (12 week redeployment period and first consideration for vacancies) of the Managing Change Policy. In addition staff will be supported in their job search and the advice and guidance of the Human Resources team, the UNISON representative and Staff Committee, as outlined above.

55 **Risk Management:** It is evident that there are risks associated with either close and dispose or partnership options. A key over-arching risk is that associated with achieving the savings targets for a balanced Authority budget in 2011/12. This risk may be minimised through closure and disposal of the asset. In this scenario the target revenue budget savings are very likely to be realised. In this context, the development of a partnership business plan would require a comprehensive risk assessment (including TUPE considerations).

56 In addition to the risks associated with meeting revenue budget savings targets there are other risks specific to the options outlined above. These include reputational risks and risks arising from unforeseen circumstances (for example, the state of the property market, failure to negotiate a lease etc). A risk management plan would be an essential part of a project plan for the chosen option.

57 **Sustainability:** The disposal of Losehill Hall on the open market would result in the asset and its role in the local community/economy being subject to market interests and planning policies. Disposal of an interest in the asset through a partnership with an organisation which has similar aims and objectives to those of the Authority are likely to result in similar outcomes to those at present.

58 **Background papers**

None

Appendices

Appendix 1: Summary of the 2010 consultation process

Appendix 2: Losehill Hall staff response to Management Team (3/9/10)

Appendix 3: National Park Learning Service – indicative budget for a reduced service compared to the current Service

Report Author, Job Title and Publication Date

Richard Campen, Director of Operations, 16 September 2010