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## Appendix 2

### Losehill Hall – Staff Response to Management Team Proposal 3 September 2010

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.

Alternative options are:

- Partnership with a similar or complimentary organisation
- Supported transfer to a charitable organisation
- Enhanced commercial model
- Development of a flagship centre that would return a trading surplus

## Summary

This report is a response from Losehill Hall staff to proposals to reduce the service currently delivered at and from Losehill Hall for young people, families and communities, teachers, environmental professionals and National Park visitors.

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 who have identified alternative options.

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.

Alternative options are:

- Partnership with a similar or complimentary organisation
- Supported transfer to a charitable organisation
- Enhanced commercial model
- Development of a flagship centre that would return a trading surplus

Staff are aware that a number of these options have been considered before, but circumstances, markets and potential partner organisations have changed considerably over the past few years and would challenge decisions made on data that could now be out of date.

This report includes:

- Formal staff response to current proposals
- Statement of alternative options and appraisal

## Recommendations

- Staff response to the current proposal is evaluated and acknowledged formally
- Members have the opportunity to receive a comprehensive review of alternative options before making a final decision
- Budgeted savings for Losehill Hall are profiled to accommodate both a review of options and the implementation of the chosen option

## Background

In July 2010 PDNPA Management Team presented a proposal to reduce the learning service currently delivered at and from Losehill Hall to make a budget saving of between £250,000 – £300,000. This saving is part of wider Authority planning in response to advice from DEFRA and in advance of the Government Spending Review this autumn.

The Authority is planning for two scenarios of either a 20% or 30% cut in the overall settlement from DEFRA for the period 2011/12 to 2013/14. The saving identified from the Losehill budget makes up between 16% and 23% of the total planned cuts. Confirmation of the final settlement is expected at the earliest in late October but possibly as late as December 2010.

In order to deliver a balanced budget for 2011/12 the Authority plans to make a number of decisions about spending cuts in advance of the DEFRA settlement confirmation. The saving from the Losehill budget is one of the cuts that Management Team plan to implement without waiting for this budget confirmation.

In deciding which areas would be chosen to make budget cuts the Authority made the following summary:

*“We plan to focus our resources more on the conservation of the special qualities of the National Park than on their interpretation and enjoyment, focusing on enabling others to provide education, outreach, community engagement and awareness, interpretation and leisure services”.* Jim Dixon, July 2010

In relation to services provided by Losehill Hall the Authority proposal is to:

*“co-ordinate understanding, engagement and awareness as a small HQ function that provides both a strategic oversight for all activity in the National Park and also the capacity to develop and support projects, many of which will be led by partners not us. We will focus our educational and outreach work on the HQ team and support to projects and partnership projects across the National Park such as at Longdendale and Longshaw. We will look to find ways of reducing the net costs of Losehill Hall to nil, including through partnerships and disposal”.* Jim Dixon, July 2010

Further detail provided to staff by Management Team clarified this position and the proposal as understood by staff is summarised as follows:

- A reduced permanent team to deliver National Park learning, probably based at Aldern House
- Exact size and shape not known but potentially between 4 – 8 people
- Focusing on delivery for young people and families and communities
- Emphasis on project and partnership delivery
- Continuing work at Longdendale and Longshaw
- With Losehill Hall at zero cost to the Authority
- Or more likely with the closure of Losehill Hall
- A cut in current budget of £250,000 – £300,000
- Reduction in the Losehill staff of between 20 to 24 full time equivalent posts (90 individuals are affected by proposals).

Both the Chief Executive and Operations Director made themselves available to talk to staff at Losehill Hall on a number of occasions as part of the consultation process on this proposal. Conflicting information has been given to staff over the course of the consultation process.

Staff at Losehill have chosen to make the collective response outlined in this report. Responses and alternative proposals were generated and recorded at workshops on 17 and 24 August 2010. 35 staff took part. All staff including casual staff were invited to take part and all staff have had the opportunity to contribute to this process.

### **Formal Response From Staff**

In summary staff feel that not enough time has been given so far to the evaluation of options for Losehill Hall within the Authority's budget planning process. Staff recognise that there is a need to provide budget savings and that changes in service delivery will be required for this. However, staff believe that the disposal of Losehill Hall will mean an irreplaceable loss to the delivery of highly valued learning and education provision for the National Park.

Staff are aware that the sale of the building will release a significant capital sum potentially earmarked for other capital projects within the Park. However, once the property has gone it is highly unlikely that the Authority will ever be in the position again to deliver learning and engagement services to people including growing target audiences on the same scale as now or make the same level of contribution to future Peak District National Park objectives. Staff ask that in achieving current objectives Management Team and Members also look to the future success of the National Park and in particular to the role learning and engagement makes in ensuring support and contribution from future generations.

### Role of Promoting Understanding

Promoting understanding is vital in unlocking the potential of people, communities and partners to play their part in the sustainable development of the NP. Promoting understanding enables conservation work to have an impact beyond the scope of any single project as it not only encourages but also enables people and communities to seek active opportunities to get involved and care for the natural environment themselves. There are many examples of this in action as part of Losehill Hall's work, including the MICCI project.

The legacy of today's conservation and management work will be undermined if future generations do not appreciate, understand and value our work for National Parks and the environment. Without this future generations will not be able to make their own contribution in ever increasing numbers.

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## Local Economy

Losehill is a major employer and purchaser of local services and supplies within the Hope Valley area, generating around £2 million per annum for the local economy<sup>1</sup>. Local residents fear a change of use and development at the site. Local businesses currently supplying goods and services to Losehill Hall have also expressed concern.

## Level of Support

It would be difficult to accurately summarise the emotional response of staff so to gauge the overall level of support for the current Management Team proposal staff were asked to rate their support under the headings in the table below. Twenty eight staff responded and all either opposed the proposal or cited serious concerns

I oppose the idea	I have serious concerns	I can live with the proposal	I can support the proposal	I can actively support the proposal
<b>17 staff</b>	<b>11 staff</b>			

Staff were then asked what would need to happen to shift their level of support towards the right of the table above. The following were suggested:

## Allocate Time for Evaluation of Options

The most frequent response was that more time should be allocated to consider alternative options. Staff recognise that whilst the need for budget cut decisions is pressing there should be a higher level of thought and consideration given to those areas where the impact is greatest in terms of staff losses and for which decisions could not be undone once the financial settlement was known.

Individual responses included:

- I feel that the timing is too short to look at proposals properly and work up good solutions
- More clarity is needed and research into the implementing of the closure of Losehill Hall. It appears to be very short sighted and a quick fix solution with no thought placed on the fact that once it is gone it's gone forever.
- Buying time to develop a real mechanism to secure the future of the Hall whether independently as a new organisation or through a true partnership
- We need to be allowed a sufficient amount of time to formulate a plan whereby the net costs to PDNPA are zero because we have methods of providing the income i.e. with partners and alternative uses for the building

## Role of Losehill Hall as a Residential Centre

A further key theme from the staff response was that Management Team, in making their proposal, had not fully comprehended the important residential role played by Losehill Hall, when delivering programmes and activities for families and communities and young people from key target audiences.

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<sup>1</sup> University of Derby

Individual responses included:

- I need more information on what the Management Team think we deliver. Much of the education works needs a quality base. What we deliver is much more than the Management Team think.
- Losing a facility that the Park will never have again – has the value of the place been properly considered? The facilities here are great and make it possible to deliver lots of family and community work – not many other places to do this – I need to know that this is understood by Management.
- Partnership with others to retain Losehill as a facility for delivering family / community and other programmes.

### Reputation for Excellence

Staff also felt strongly that the reputation for excellence and the expertise, knowledge and skills within the Losehill staff would be lost as would the place the Authority held as the national leader in environmental education.

Individual responses included:

- Losing the national role, reputation and products associated with it will be very short sighted and if the Hall goes it will never be regained
- Lack of acknowledgement of the profile benefits that Losehill Hall provides the PDNPA
- The loss of training and the reduction of education would be a very sad loss.

### **Statement of Alternative Options and Appraisal**

Given that there is no staff support for the Management Team proposal, alternative options are presented that staff believe will deliver similar budget saving outcomes. None of the alternative options presented here could be delivered without changes to the Losehill structure but staff are prepared to accept change if they believe that due consideration and full opportunity to explore alternatives has been taken.

Staff are keen to find a solution that enables the Authority to still achieve more for less. Staff believe that the current proposal offers less for less.

Six alternative options were suggested and considered by staff in preparing this report. Four of these are presented in further detail here. At this time it is not known whether the remaining two options will be considered by smaller groups of staff and presented additionally.

Staff are aware that more detail will be needed to evaluate the options proposed and recommend that a full options appraisal is conducted before any decision is formally taken. Staff have not been given sufficient time and resources to undertake this research and evaluation to date.

However, staff are keen to draw attention to the level of success that has been achieved in implementing the new business plan in the past two years. All staff have responded well to change and shown what can be achieved in a relatively short period of time. Management Team and Members should be confident that Losehill Hall staff can successfully implement alternative proposals given the opportunity.

Alternative proposals

- Partnership with a similar or complimentary organisation
- Supported transfer to a charitable organisation
- Enhanced commercial model
- Development of a flagship centre that would return a trading surplus

Staff believe that partnership, transfer to a charitable organisation, a more commercial approach or a flagship development model should all be prioritised over a closure and disposal model as this would mitigate job losses and reduce the cost of redundancy payments. Furthermore, it would also enable Losehill Hall's role in delivering National Park learning to be maximised as well as delivering savings to the Authority.

## OPTIONS APPRAISAL – SUMMARY

Alternative Option	Description	Strengths compared to current proposal	How this would deliver savings
<ul style="list-style-type: none"> <li>Partnership with a similar or complimentary organisation</li> </ul>	<p>Partner with an organisation that delivers similar or complimentary services to those already delivered at Losehill Hall.</p> <p>Potentially through a lease agreement that would enable the partner to develop services from the site. Ideally partners delivering learning and services to young people, families and communities. With the potential for the partner to take on delivery of other current Losehill services including professional development and environmental conferences.</p>	<ul style="list-style-type: none"> <li>Opportunity for the Authority to get a greater return on reduced investment in learning – “more for less”</li> <li>Meets Authority objective to work in partnership and deliver learning more by influencing others</li> <li>Reaches a greater number of people with PDNPA messages</li> <li>Retains more jobs</li> <li>Reduces Authority redundancy bill if some or all staff are transferred to partner’s organisation</li> <li>Investment in the asset comes from partner</li> <li>Retains use of the asset to deliver to target audiences for young people and family and community work that would not be possible without the building and grounds</li> <li>Possibility of retaining expertise in professional areas for training and consultancy</li> <li>Losehill continues to contribute to the local economy with the potential for increased local economy activity</li> <li>Scalable for future development</li> </ul>	<ul style="list-style-type: none"> <li>Service Level Agreement with partner delivers agreed outputs for reduced PDNPA budget</li> <li>Cost of change minimized through reduced redundancy and wind down costs</li> <li>Potential to agree model that provides PDNPA with net surplus</li> </ul>

<ul style="list-style-type: none"> <li>Supported transfer to a charitable organisation</li> </ul>	<p>PDNPA supports the transfer of Losehill Hall to a charitable organisation set up specifically to deliver environmental education and National Park learning from Losehill Hall.</p> <p>Transfer to the independent organisation could initially be through a lease agreement but with a possible option for future purchase.</p> <p>Commitment through a Service Level Agreement with PDNPA to work with the new organisation to deliver learning.</p>	<ul style="list-style-type: none"> <li>Meets Authority objective to work in partnership and deliver learning more by influencing others</li> <li>Supports Government objectives for 'Big Society' as a third sector organisation would take over responsibility for delivering services</li> <li>Retains more jobs</li> <li>Reduces Authority redundancy bill if some or all staff are transferred to the charitable organisation</li> <li>Investment in the asset comes from charitable organisation</li> <li>Retains use of the asset to deliver to target audiences for young people and family and community work that would not be possible without the building and grounds</li> <li>Possibility of retaining expertise in professional areas for training and consultancy</li> <li>Losehill continues to contribute to the local economy with the potential for increased local economy activity</li> </ul>	<ul style="list-style-type: none"> <li>Service Level Agreement with charitable organisation delivers agreed outputs for reduced PDNPA budget</li> <li>Cost of change minimized through reduced redundancy and wind down costs</li> </ul>
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<ul style="list-style-type: none"> <li>Enhanced commercial model</li> </ul>	<p>A revised business plan for Losehill Hall that delivers a new model for learning and operates Losehill Hall on a more commercial basis to generate surpluses to reduce overall cost and risk to the Authority.</p> <p>This model would maximise use of the buildings and grounds and retain the Authority's key asset whilst delivering learning to key target audiences. Core costs would be reduced and the model would be based on flexible costs and charged for services.</p>	<ul style="list-style-type: none"> <li>Retains a greater proportion of jobs</li> <li>Reduces Authority redundancy bill</li> <li>Losehill continues to contribute to the local economy with the potential for increased local economy activity</li> <li>Retains use of the asset to deliver to target audiences for young people and family and community work that would not be possible without the building and grounds</li> <li>Retains Losehill Hall for the Authority as a working asset for the future</li> <li>Builds on investment over past two years and success in delivering current business plan</li> </ul>	<ul style="list-style-type: none"> <li>New business model operates with reduced budget from PDNPA at level identified for saving</li> <li>Commercial activity generates fund for maintenance and development</li> </ul>
<ul style="list-style-type: none"> <li>Development of a flagship centre that would return a trading surplus</li> </ul>	<p>Retain Losehill Hall and grounds and develop to become a major centre for learning and visitors in the Peak District National Park. This would be a flagship development with commercial and funding partners. The themes of biodiversity and environmental sustainability within a National Park would be promoted to increasing numbers of visitors, including increasing numbers of key target audiences.</p>	<ul style="list-style-type: none"> <li>Investment in the local economy</li> <li>Job retention and creation</li> <li>Greater return from the asset</li> <li>Long term return from the asset</li> <li>Increased benefit of Losehill Hall to local community</li> <li>A focus for National Park promoting understanding work that could provide cost saving in other areas through shared delivery/asset space</li> </ul>	<ul style="list-style-type: none"> <li>Net costs of Losehill Hall reduced through commercial income</li> <li>Investment costs met through commercial partnership and grant funding</li> <li>Net income to the Authority from rents and profit share</li> </ul>

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	<p>The centre would be developed to enable commercial partners, including local businesses, to operate through concessions and the Authority would generate surpluses through rents and profit share.</p>	<ul style="list-style-type: none"><li>• A flagship model to give the Peak District National Park something to be proud of</li></ul>	
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