

8. MEMORANDUM OF UNDERSTANDING – PEAK GATEWAY (AB)

1. Purpose of the report

To seek approval for PDNPA CEO to sign a Memorandum of Understanding with Milligan Retail Ltd and Birchall Properties Ltd (Peak Gateway at Chesterfield)

Key Issue

- **PDNPA entering into a strategic partnership with two commercial enterprises; Chesterfield Local Authority and The University of Derby, (entering into separate memoranda), to seek private investment for the development of a PEAK Gateway facility.**

2. Recommendation

- 1. Delegate approval to the CEO in consultation with the Head of Law and Director of Commercial Development and Engagement to sign on behalf of PDNPA, the Memorandum of Understanding with Milligan and Birchall Properties for the PEAK RESORT in regard to the development of a PEAK Gateway facility.**

How does this contribute to our policies and legal obligations?

- 3.** There are no legally binding obligations. The Memorandum of Understanding is not legally binding.

The PEAK gateway, (a physical building), provides the opportunity for PDNPA, in partnership, to strategically influence private investment to enable PDNPA outcomes, specifically:

- Sustainable tourism (KPI 12 - Implement plans to increase public connection with the National Park through the development of quality engagement opportunities that encourage responsible behaviours and by growing sustainable tourism products)
- Increasing visitor giving via the Foundation and growing commercial enterprises e.g. cycle hire and business corporate social responsibility (KPI 14 - Implement and continue to develop the plan to maximise income without compromising the special qualities of the National Park, including car park management, new visitor experiences, maximisation of existing income opportunities and growing our commercial enterprises).

A further benefit is related to the Glover recommendation 19 re sustainable transport pilots and the distribution of transport powers. PEAK Gateway and the wider resort provides the opportunity to trial transport interventions at scale, (the resort has 2500 car parking spaces), including expanding the Hope valley explorer for visitors, extending the Monsal trail to start in the PEAK resort and EV charging infrastructure to enable real behavioural and switches in transport modal choices.

PEAK Gateway and the wider resort will also provide valuable learning for developing the concept and associated policies for recreation and visitor experience hubs.

This MOU provides a safe and phased approach for engaging at a strategic partnership level, private investment to enable delivery of corporate strategy and national park management outcomes. It is an approach PDNPA have adopted with other strategic relationships e.g. Water companies for Ranger services; Derbyshire County with a Chinese province to promote Derbyshire as a visitor destination.

Background Information

Milligan (the developer) has entered into an agreement with Birchall Properties (the landowner) to define, construct and operate a sustainable and profitable gateway facility, (a physical building) outside the Peak District National Park at the Peak Resort, (Chesterfield). The PEAK Gateway will be linked via sustainable transport and trail networks to attractions and activities within the National Park as well as to the conurbations and countryside located on the Park's south eastern boundary.

The strategic partners for this enterprise are: Chesterfield Borough Council, The Peak District National Park Planning Authority and the University of Derby working together to maximise the opportunity and create a gateway facility that delivers for everyone. Each partner will sign an MOU with Milligan Retail Ltd and Birchall Properties Ltd.

The Peak Resort covers 300 acres and has the benefit of planning permission for hospitality, leisure, retail and education facilities with extensive car and coach parking (c2500 spaces)

The Authority's vision is for the Peak District to be loved and understood as the UK's original national park.

The benefits to the Authority as a strategic partner for the PEAK Gateway are:

- Expanding existing PDNPA products and services (subject to business case) by providing a focal point for visitor services, cycle hire, and learning, discovery and cultural experiences; to enhance visitors connection and awareness with the national park special qualities.
- Test the concept of a recreation and visitor experience hub providing sustainable transport solutions for visitors e.g. extension of Hope valley explorer and cycling.
- Increase visitor income by promoting The Peak District Foundation as the charity of choice for all site operators and visitors (starting with David Lloyd in spring 2021 under a separate agreement anticipated between The Peak District Foundation and David Lloyd.

Proposals

4. **Option 1** – delegate authority for signing the Memorandum of understanding to the CEO in consultation with the Head of Law and Director of Commercial Development and Engagement.

This would enable PDNPA to take the next step towards realising the benefits outlined above with minimal risk. There is no financial risk. It sits very comfortably with our 'pioneering' value.

The weaknesses of this option are hard to identify other than the potential reputation risk highlighted and addressed in section 6 below.

Option 2 – Do nothing and don't sign.

PDNPA lose the opportunity to work with a highly credible partnership to potentially transform how people travel into and experience the Peak District National Park special qualities at scale. In addition, future income generation opportunities by expanding existing PDNPA services would be lost.

Loss of reputation with a highly credible developer and a question mark over PDNPA strategic ambitions, intent and pioneering spirit.

Are there any corporate implications members should be concerned about?

Financial:

5. None

Risk Management:

6. **Reputation** – Adopting the corporate risk matrix the risk is assessed as LOW. The reasons are:
- The PEAK Gateway proposition to investors will not be publicly available. It is purely for confidential conversations between the developer and interested investors approached directly. *NOTE: The MOU will be in the public domain.*
 - From electronic due diligence searches the developer is reputable and has a strong track record of success.
 - There is a clause that PDNPA can terminate the MOU at any time should SLT consider the reputational risk too high from any adverse publicity.

The PEAK Gateway investment proposition includes PDNPA logo and other profile materials (e.g. branding videos, photographs, data, research, customer profiling where contractually able) and a quote from Sarah Fowler. It will be used as a basis of confidential discussions with potential investors. The term of the Memorandum of Understanding is 12 months, subject to review on an annual basis.

Sustainability:

7. None. The aspiration of the Peak Gateway is to be a best in class sustainable visitor destination and hub.

Equality:

8. None.

9. Background papers (not previously published)

None

10. Consultees

Senior Leadership Team; Head of Law; Head of Finance.

11. Appendices

Appendix 1 – Memorandum of Understanding

Report Author, Job Title and Publication Date

Adrian Barraclough, Director of Commercial Development & Engagement , 7 July 2020
Adrian.barraclough@peakdistrict.gov.uk