

# COMBE VALLEY COUNTRYSIDE PARK COMMUNITY INTEREST COMPANY (CIC)

## Draft Prospectus for Company Members

March 2014 (V2)



### 1. Vision/mission

The origins of the Combe Valley Countryside Park stretch back over twenty years. In 1993, the North Bexhill Strategic Framework (Supplementary Planning Guidance) advocated the creation of 90 hectares of Countryside Park centred on the Pebsham landfill site, and proposed a countryside management scheme for the farmland and sites designated for their conservation value to the north. The subsequent Rother District Local Plan identified a much larger area of some 600 hectares to be allocated as the Pebsham Countryside Park, capable of acting as a strategic 'green gap' between Bexhill and Hastings, and this was formally adopted.

In 2003, each of the three local authorities with an interest in the locality: Rother District Council, Hastings Borough Council and East Sussex County Council each appointed Members to form a Project Steering Group, and a joint Park Development Strategy was prepared. A major public consultation was subsequently undertaken, in 2005/6, with the objective of testing local opinion and refining the focus of the Plan, supported by studies into the potential demand for the facilities being proposed. All this work culminated in the publication of a Plan that has been used as the basis of securing resources to take forward implementation since that time.

There are some features of the Combe Valley that distinguish it from other Park initiatives;

- Its scale – stretching over 600 ha overall
- Deliberately planned to include actively managed rural landscape, damaged land (landfill), and a coastal park element.
- Its increasingly important role in relation to improving flood resilience
- Encompassing industrial/commercial uses which are, on the face of it, incompatible with a conventional park environment.

Since 2008, it has existed as an unincorporated association of local authorities led by a Management Board, sharing a common interest in developing, promoting and managing the Combe Valley Countryside Park. In more recent times, the Sussex Wildlife Trust has joined the Partnership in a non-voting capacity. The following mission statement represents the collective aspiration for the future, both for the Park itself and the new organisation being charged with taking it forward.

***“To create and manage a high quality sustainable, attractive, accessible and multi-functional landscape rich in wildlife to serve the recreational, economic and health and well-being needs of residents and visitors”.***

Nonetheless, its members have recognised that its structure and governance is no longer 'fit for purpose', to meet the challenges (not least the impact of public sector funding cuts), and opportunities, and therefore embarked on a process of change.

## **2. Company objectives**

The Combe Valley Countryside Management Board inherited ten 'Core Values' used to underpin the approach to development and management of the Park as follows:

- High Quality
- Accessibility for all abilities
- Sustainable, in the sense that:
  - Development will be suited to the character of the place
  - Development will follow natural principles, use local and renewable materials and be an example of low carbon emissions
  - Development should become financially self-supporting
- Support the local economy – to be a catalyst for investment and partnerships
- Conserve and enhance the 'green gap' between the two towns but strengthen the physical link between them
- Conserve, enhance and celebrate the biodiversity and historic environment of the area, both land and sea
- Generate a creative synergy between the arts and the environment
- Add value to what is there – improve the aesthetic resource of the place
- Have a clear identity and improve the image of Bexhill and Hastings
- Be responsive to the needs of the community.

These all undoubtedly remain as attributes that all would wish to be achievable through implementation of the Park but now need re-casting, not only to reflect the financial constraints being faced by local government and the evolving policy environment (eg more universal understanding of the role and value of 'green infrastructure') but also that they need to be more relevant and understood in the wider community, along the lines of:

- A focus for 'active leisure'
- A centre of excellence for 'upcycling' (the process of converting waste materials into new materials or products of better quality or for better environmental value), and green energy
- A unique place for environmental education
- A pro-actively managed living landscape which benefits both people and wildlife from Crowhurst to the sea
- And meeting the needs of residents in Sidley, Pebsham, Bulverhythe, West St. Leonards and Crowhurst as well as visitors from further afield.

## **3. Operational goals and features**

Learning from the past experience of the Management Board, a number of operational goals need to be recognised and built into the proposed new arrangements for governance and management via the establishment of a Community Interest Company (CIC). These include:

- Enabling a broader range of stakeholders to be involved in delivering and managing the Park
- Managing the Park development in a more entrepreneurial way consistent with its objectives

- Regarding the closed landfill and other incongruous features within the Park boundaries as unique assets rather than constraints to it being managed and promoted as a place for public recreation.

In order for the CIC to be able to succeed in delivering on these goals it will need some specific powers or attributes, including an ability to own, lease or licence land or buildings (though the expectation remains that Hastings Borough Council will retain ownership and control of its own land), be able to borrow and, most importantly, to be able to hold assets (including funding derived from future s106/CIL contributions) in 'trust' for the sole benefit of the Park.

#### 4. Area of benefit

The new organisation will adopt as its area of benefit the existing Combe Valley Countryside Park boundaries (see Figure 1), which covers approximately 600 ha. There are three exclusions within this perimeter; the privately owned Southern Water Waste Treatment Works, Veolia Waste Transfer Station and Recycling Centre, and Pebsham Farm. In order to be able to adapt to changing circumstances and opportunities in the future, the legal entity will be described to include the concept of '*and surrounding areas*'.



**Combe Valley Countryside Park boundaries**

## 5. Legal structure

Having assessed all the realistic alternatives it is intended that the new company will be registered as a company, limited by guarantee to ensure that its directors are not exposed to any personal liability. The principal reasons for this choice are that a CIC in this form:

- Is relatively straightforward and cost-effective to set up and run,
- encourages an entrepreneurial approach to management and generating income,
- enables flexibility in the event of changing circumstances, and
- includes a mechanism for safeguarding funding and potentially other assets (eg land/buildings) made available to deliver the company's objectives.

Expanding on the last point, the CIC can use the 'asset lock' capability of this legal form to protect any financial or other endowed assets for the sole purpose of improving and managing the Combe Valley Park. In the future, should it be appropriate for the Company to become a significant landowner in its own right (in the immediate future its links to charitable organisations such as Groundwork and the Sussex Wildlife Trust enable physical assets to be managed to achieve Park benefits without incurring stamp duty land tax), or wish to receive tax efficient donations using gift aid directly, it will keep under review the desirability of the CIC creating a wholly-owned charity for these purposes.

## 6. Company membership

The CIC will incorporate six types/categories of Member:

- **Local Authorities** (covering all three tiers; County, District and Parish, all of whom will be entitled to places on the Board 'by right' as follows: East Sussex CC (2), Hastings Borough Council (2), Rother District Council (2), Crowhurst Parish Council (1).
- **Statutory Agencies** (by invitation, including the Environment Agency and Natural England).
- **Corporate** (businesses, private sector landowners and utilities).
- **Third Sector** (charities and social enterprises).
- **User and community groups/representative forums** (such as Residents' Associations, fishing and cycling bodies, etc.).
- **'Friends' of the Combe Valley Countryside Park** (the emerging supporters organisation through whom individuals would be encouraged to be involved).

The principal benefit of joining the Company as a Member will be to 'have a voice' in determining how the objectives outlined in Section 2 are delivered. All Members will be entitled to participate in an annual 'Combe Valley Countryside Park Forum, free admission to Park events, and receive quarterly bulletins on 'news from the Park'. Individual membership of the 'Friends' may in due course include other specific benefits. For corporate members, it will provide an ideal opportunity to pursue their own Corporate Social Responsibility (CSR) objectives.

In recent years, the Combe Valley Countryside Park initiative has covered the cost of its 'core' functions through in-kind and cash contributions derived from its partner local authorities, and via s106 contributions provided by Southern Water and Biffa. Beyond anticipated commitments being made available by Hastings Borough Council and Rother District Council in 2014/15, it is unlikely that further revenue contributions of this type will be made available, hence the CIC

direction being specifically designed to optimise opportunities to generate its own income to offset annual running costs.

In relation to financial contributions, the following principles are being proposed in relation to CIC Company Membership;

**Local Authorities:** Notwithstanding the comments above, revenue contributions in future years would of course be welcome, but voting rights would remain the same. One-off capital contributions and/or endowments could be made in lieu of annual revenue payments. In the case of Hastings Borough Council, the principal public sector landowner within the Park, it will need to be accepted that income generated from Park visitors can be retained by the CIC. In-kind contributions, such as Officer time, use of premises for meetings, printing costs, etc. would also aid viability of the CIC, especially in its formative years..

**Statutory Agencies:** The aim is to encourage/enable public investment in the Combe Valley Countryside Park related to their interests and responsibilities. It is recognised that an expectation of annual financial contributions towards running costs – unless tied to a statutory function (eg flood prevention) – is unrealistic, but grant aiding projects through which fees can be accrued that would be of benefit to management of the Park should be possible.

**Corporates:** The CIC will offer a 3-tier payment scheme (eg, for illustration; ‘Gold’ - £2,000, ‘Silver’ - £1,000, ‘Bronze’ - £250), similar to that adopted by other organisations with environmental objectives, whereby companies can contribute annually in return for different levels of benefit, including ‘team-building’ opportunities for staff, high-profile publicity, support for improving the environmental credentials of their sites/operations. The CIC would also encourage corporate members to ‘adopt’ individual projects with the Park as a way of deepening their involvement.

**Third Sector:** The CIC expects to benefit through contributions ‘in kind’ (eg. use of premises and equipment), which could nonetheless minimise costs that the CIC would otherwise have to incur directly.

**User and community groups/ representative forums:** As per ‘Third Sector’ membership.

**‘Friends of the Combe Valley’:** The emergence of this group is very timely. It is anticipated that in due course they will be able to contribute towards Park management, such as volunteers being willing and able to staff the Visitor Centre, and assist with the delivery of individual events and projects. Most comparable Friends organisations levy annual membership fees, and other fundraising cover their direct benefits ‘package’ but, realistically, it is unlikely to generate a financial surplus from which the Park can benefit directly for some time to come.

The Local Authorities aside, individuals from all the other categories of organisation are eligible to be co-opted as Directors of the CIC (see Section 7 below).



## 7. Governance

In order to be able to draw upon the breadth of knowledge, skills and expertise needed the CIC will be overseen by a Board of up to 15 directors - all willing to act in the best interest of the company, whatever their background - each serving for an initial term of three years, at which time they can be re-nominated or stand down. The Directors will be derived from:

- a maximum of 7 local authority nominees as described in Section 6 above,
- a minimum of 7 co-optees from the wider membership, preferably ensuring at least one from each of the categories, and
- the Park 'Managing Agent' (anticipated to be Groundwork South in the first instance)

To ensure that the company is managed effectively and entrepreneurially – including the oversight of the Service Level agreement (SLA) with the Managing Agent - a non-executive group of 5 drawn from the 15 directors could /should be appointed by the Board, between whom the following roles will need to be included:

- Chair (unless independent – see below)
- Vice Chair
- Company Secretary
- Honorary Treasurer

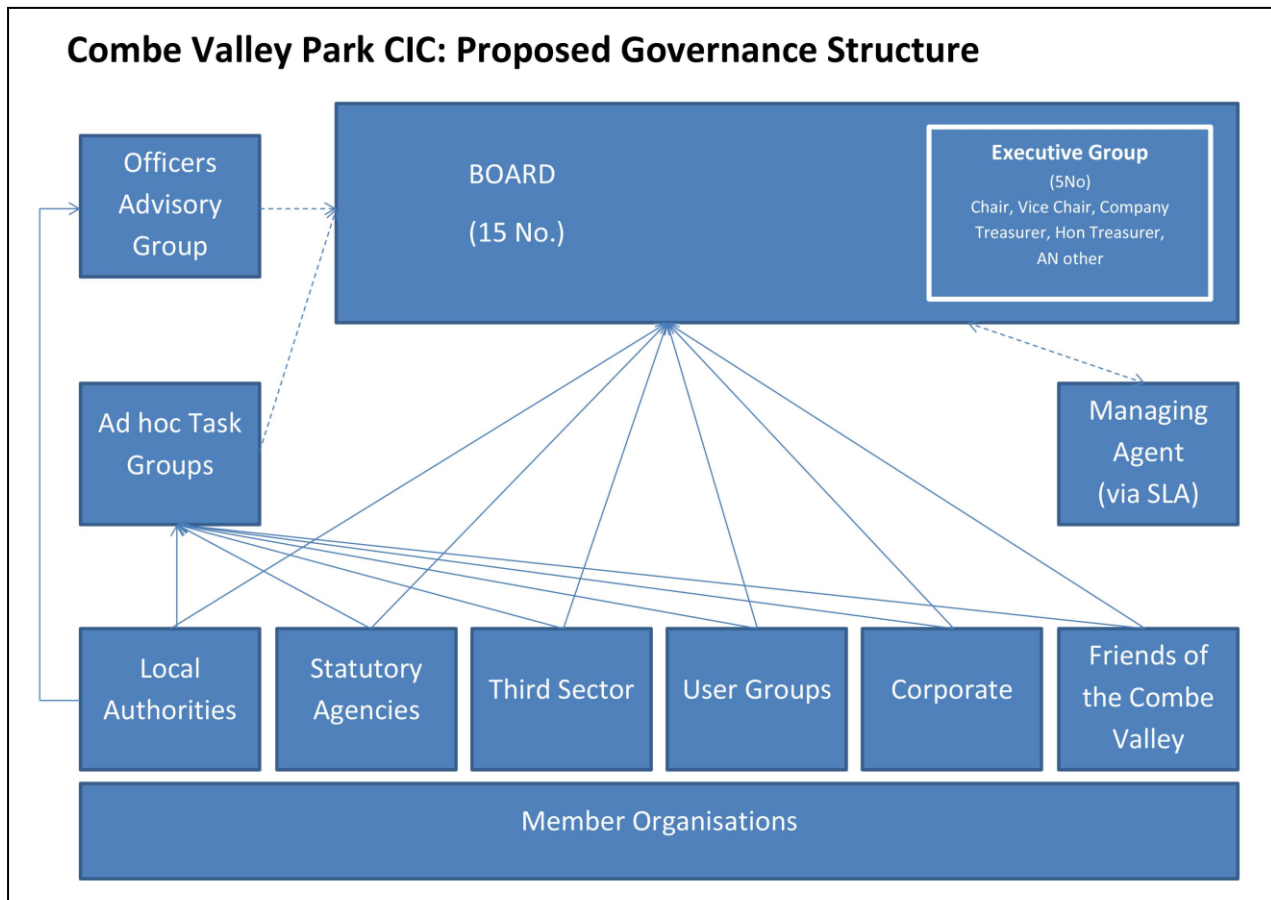
We would anticipate use of majority voting, with a casting vote for the Chair in the event of deadlock. The key role of Chair will be advertised, and could be either be a nominated member, a co-optee or an independent; the key being 'fitness' for the role, including having an appropriate background and experience, together with sufficient time to devote to the work of the CIC. A role of Vice Chair is included in the structure for flexibility and promoting continuity.

The governance structure could also allow for the appointment of Patrons – individuals who are not company directors but can otherwise 'champion' the work of the CIC externally and add prestige/kudos to the new organisation.

It is vital that the new CIC Board will be able to draw upon the experience and knowledge of senior officers from the local authorities and other bodies, as the Combe Valley Countryside Park Management Board has been able to do with its Officer Delivery Group. The governance structure therefore incorporates the concept of an Officers Advisory Group. The focus of this is likely to be on planning and related matters, but could also encompass other key disciplines such as leisure services, community development, health and education and with a composition, which will vary according to current needs. Additionally, there will be provision for ad-hoc task groups to address the needs of members and/or support the work of the Managing Agent, such as marketing. This will also enable and encourage legitimate input from non-paying members.

It is likely that the Board will convene quarterly, with the Executive Group meeting at a similar frequency. The proposed Annual Combe Valley Countryside Park Forum, open to all Members, will also be designed to act as an important device in ensuring as wide an ownership of the CIC as possible, and reflecting the range of interests within its operational priorities.

The overall proposed governance structure is summarised in **Figure 2**.



## 8. Company business, income generation and assets

For cost effectiveness and to ensure focus on delivery, it has been acknowledged that rather than have staff or premises in its own right, the management and activities of the CIC will be undertaken by one or more third parties through the use of renewable Service Level Agreements (SLA's). On incorporation (working assumption 01/09/2014), it is anticipated that the first SLA will be in place with Groundwork South - for a period of two/three years - to ensure continuity of functions undertaken over the past few months on behalf of the Management Board.

The 'core' functions covered by the SLA once the company is formed and registered will include:

- Business strategy and planning
- Raising external funding for projects
- Project development and implementation
- Partnership building/Stakeholder development
- Supporting the Board, Executive, Advisory/Task Groups, and Forum (in association with Hastings Borough Council).
- Managing/training staff and volunteers (in collaboration with Sussex Wildlife Trust and Hastings BC Ranger Service).
- Marketing, events and publicity (in collaboration with Sussex Wildlife Trust)
- Managing the Visitor Centre.

Two Members of the existing Combe Valley Countryside Park partnership – Hastings BC and Rother DC – are committing revenue funding to underpin the setting-up and initial stages of implementing the Park development plan in 2014/15. The only other guaranteed income for Park management and activities are the forward commitments to community engagement and Ranger services provided by SWT and HBC respectively from the remaining s106 resources.

The rationale of the CIC is that it will be able to generate its own income to offset the costs associated with its 'core' functions. A range of opportunities have been identified which can be summarised as:

- a) Local Authority/other Member contributions (Ref. Section 6)
- b) Earned income from other Park-owned or controlled income generating assets such as the facilities being proposed for cycling and fishing
- c) Sales and services via visitor centre (eg catering, education, room hire)
- d) Developer contributions via the planning process, of which NE Bexhill expansion is the most likely.
- e) A % of any future 'green energy' development within the Park (eg solar array on former landfill site)
- f) Fundraising by the Friends of the Combe Valley
- g) Legacies and philanthropy (via the charitable Managing Agent).

Action is being currently being taken with individual Partnership Members in relation to specific potential in categories (b) and (d), but in its first year of operation, realistically it is likely to be deriving the majority of its 'core' income from (a) and (c).

Legally, the CIC will also need to have policies and procedures covering:

- Use of surpluses and reserves (eg. over and above the direct costs of its service level agreement, it could choose to carry-forward revenue for future 'core' operations, invest in specific projects, or even provide grants to third parties).
- Future operations in the event of the CIC being closed down. A charitable beneficiary will be named and whichever organisation is nominated will be required to use any remaining funds within the Park boundary for the enhancement of the Park in line with its objectives.

## **9. Outline operational priorities in first three years**

A three-year 'rolling' business plan will be agreed annually. By the end of its first three years, the CIC will have undertaken an ambitious programme of work, including having:

- Secured funding for and delivered at least £1m of project activities relating to the CIC's objectives, including s106/CIL contributions.
- Established a viable Park Hub with activities for active leisure available to attract visitors under development, and improvements for existing sports users.
- Significantly improved accessibility around the Park, with routes available for walkers, cyclists and horseriders.
- Helped address the needs of local farmers and other landowners with businesses within the Park.
- Substantially increased the resources available for marketing and promotion.



- Established an in-house Green Team' through which landscape/biodiversity improvement can take place.
- Developed and implemented a framework for volunteering.
- An active partnership with the NHS to promote healthy living, and developed and implemented a Park-wide strategy for environmental education.
- Attracted a CIC Membership of at least 30 organisations.

In the first year of operation, the 'headline' priorities are:

- Aim to secure at least £200,000 of external funding to implement improvements. Initially focussed on the 'Activity Zone'.
- To develop a Visitor Centre/Park base located adjacent to the West Pavilion, with a start made on new circular routes.
- Determining the feasibility of cycling and fishing facilities within an improved landscape more resilient to flooding.
- Re-establishing the Forest School.
- Resolving the potential for extension of Combe Haven Holiday Park.
- Helping to develop the capacity of the Friends Group.
- Undertaking marketing activities, including website and additional events.
- Achieving a CIC Membership totalling at least 10 organisations, and held the first 'Combe Valley Forum'.

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