

Cabinet

17 July 2013

Restoration of Wharton Park Project



Report of Corporate Management Team

Terry Collins, Corporate Director, Neighbourhood Services

Councillor Maria Plews, Cabinet Portfolio for Leisure, Libraries and Lifelong Learning

Purpose of the Report

- 1 The purpose of the report is to inform Cabinet of the Wharton Park restoration project. The report provides an overview of the project, highlighting the on-going increased revenue and capital implications of the project and seeks approval to proceed with a Stage 2 Heritage Lottery Fund (HLF) Parks for People bid.

Background

- 2 Wharton Park occupies 4.3 hectares of high ground approximately 1km to the north west of Durham City Centre and 2km from the World Heritage Site. WL Wharton gave use of the park to the public in July 1858. As such it is one of the oldest parks in the region and was the site of the first Miners' Gala in 1871. The park became known as the "People's Park" in its early days. The park is situated within the Durham City Conservation Area and contains one Grade 2 listed structure "The Battery" which affords magnificent views of the world heritage site.
- 3 The park is an existing designated urban green space which includes a play area, gardens, walks, structures and other recreational activities. Its main purpose is for informal recreation and enjoyment. The facilities within the park currently provide a poor visitor experience. The park is located on a hill and is terraced with many retaining walls, steep inclines and steps. The park is in a poor condition and requires significant investment.
- 4 The park has lacked investment for a number of years. The former Durham City Council had aspirations to develop the park via HLF funding, however these aspirations were not fulfilled, despite initial plans being drafted. Following LGR and the setting up of Area Action Partnerships (AAP), the Durham AAP agreed to develop the restoration project and resurrect a bid to HLF. Following a successful stage 1 bid to HLF the project management was transferred from the AAP to Neighbourhoods, Culture and Sport.
- 5 A Member Steering Group has been set up with cross party, portfolio-holder and Friends Group representation. A Project Board chaired by the Corporate Director of Neighbourhood Services including representatives from all relevant service groupings is in place to oversee the development of the project.
- 6 A Friends of Wharton Park Group has been set up to ensure that the local community are actively involved in the development of this project and the running

of the park. There are currently over 230 Friends of Wharton Park and this continues to grow on a weekly basis.

- 7 The stage 1 HLF grant has enabled the secondment of a member of staff to act as Interim Project Manager to further develop the project and prepare a Stage 2 bid. This resource has been used to prepare detailed project designs and costings, a ten year conservation management plan, a business plan and to carry out site investigation works, visitor and bat surveys and community consultations. The resource has also been used to get the community actively involved in the project and to develop and secure the match funding package needed to deliver the project.
- 8 HLF will only accept one bid per organisation into the two annual Parks for People bidding rounds. The DCC Corporate Funding Group liaises with all Service Groupings to ensure bidding is controlled and prioritised across all services. Initially the Stage 2 HLF bid was targeted for the August 2012 bidding round although the Project Board decided to delay this until the August 2013 bidding round to enable the designs/plans to be further developed to ensure the full cost implications are fully identified. This is the last possible date for a stage 2 bid and the HLF will rule the project 'out of time' if this bidding round is missed. The opportunity to apply for HLF funding provides the council with an opportunity to restore the park whilst attracting significant external funding to repair its infrastructure therefore reducing costs to the council.

Project Overview

- 9 The overall aims of the project are to :-
 - Make Wharton Park a destination in its own right that is a heritage asset to the region
 - Create a local community resource and a leisure facility for those visiting the City.
 - Increase visitor numbers to the park.
- 10 Key aspects of the project include :-
 - Create a Park Heritage Centre and Café in the park to include an educational resource room and toilet facilities (HLF insist upon this aspect for all Parks for People funding)
 - Demolish Wharton Park House which is becoming an eyesore and create an attractive community garden in this area
 - Demolish the Road Sweeper building
 - Update and Improve the Park's Play Equipment
 - Refurbish the Amphitheatre to function as an Events / Performance Area.
 - Create an Events / Activities Programme for the park to increase visitor numbers and actively involve local people in the park
 - Refurbish and update the existing Miniature Car Track
 - Create a new Outdoor Exercise Trim Track with Fitness equipment and an area with Climbing Boulders
 - Develop a Young Apprentice Scheme

- Improve Shrub, Tree Planting and the management and maintenance of the park
- Improve Footways, Walls, Steps, Access, Signage and Interpretation
- Create a new Woodland Trail and cycleway within the park to improve access to Durham Train Station and improve links between Wharton Park and the Aykley Heads site.
- Actively involve the Friends of Wharton Park and other Community Volunteers
- Research the history and heritage of the park to include displays in the heritage centre
- Appoint a Wharton Park Manager (HLF requirement)
- Improve the Framwellgate Peth / North Road Entrances
- Create Disabled Parking
- Carry out essential repairs to the Grade 2 listed Battery
- Restoration of Albert the Good Statue and The Way Sculpture

Project Options Analysis

11 The project has now reached a stage in which a key decision is required with regards to the submission of the HLF bid. Although DCC would not be required to fully commit to any project until an offer of funding is received it would not be beneficial in the longer term to submit a bid that was subsequently withdrawn or aborted. Therefore a decision needs to be reached which considers the benefits of this project in consideration with the costs of achieving them. The following options should therefore be considered in reaching this decision :-

12 **Option 1 – Stop the project with no bid to HLF** and deal with the significant repairs and maintenance problems facing the park on an ad hoc basis. Given the very poor condition of the park including the North Road wall, footpaths and steps in the park, the deteriorating condition of the Grade 2 listed Battery, and the rapidly deteriorating condition of Wharton Park House this is not a feasible option if the park is to be kept open to the public over the longer term.

If the park were closed to the public the Council would still be liable for emergency tree work, on-going repair of the North Road wall for health and safety reasons and will need to maintain and repair the Grade 2 listed Battery. These costs would exceed £500,000. Furthermore, the Council would miss out on the opportunity to secure £3.12m of HLF and other external funding.

13 **Option 2 - Deliver Smaller Project with no bid to HLF.** This would include doing a basic makeover of the park with all of the capital / on-going revenue costs being met by the Council. Capital works which would require funding in the short term (5 years) would include :-

- Replace existing Play Area £100,000
- Demolishing Wharton Park House / Garage £37,000
- Essential improvements to walls, footways, steps, access £260,000
- Basic safety improvements to Amphitheatre £120,000
- Battlements Improvements £220,000

- **Total Capital Costs £737,000**

This option gives little overall benefit other than to retain the park at its current offer i.e. keep the park open to public use. In addition to the above, it is likely that an enhanced maintenance regime would be required which would result in an additional revenue MTFP pressure of around £20,000 per annum.

The above are best estimates at this stage, based on discussions with relevant DCC staff, but do give a reasonable estimation of the likely capital / revenue costs involved. As this option excludes a heritage centre and is a significant departure from the original Stage 1 HLF bid, it is highly unlikely that this option would qualify for any HLF funding.

Again this option would miss the opportunity of external investment and much of the design work in developing a stage 2 bid will also be lost. It would however, allow the park to remain open to the public.

- 14 **Option 3 proceed with the project and Submit a Stage 2 Bid to HLF.** This option results in a total investment amounting to £3.44m over the period of the project, and a total investment by the HLF (if the Stage 2 bid is successful) and other external funding, amounting to £3.12m. It provides a one off opportunity to greatly restore / improve Wharton Park after many years of under investment.

Although bidding is a highly competitive process, HLF are impressed by the project to date and if it is agreed to submit the project to the HLF, it is considered that it will have a strong chance of success. This option will involve closing the park during the construction period which is likely to take 12 months.

From the 2018/19 financial year this option requires an on-going increased revenue contribution, currently estimated to be £67,000 per annum, which is linked to the requirement for a heritage centre and the enhanced maintenance regimes. The HLF bid will include a revenue contribution for the maintenance of the park for the first five years; therefore there will be no revenue impact for the Council until 2018/19.

There is also a requirement to commit £255,000 capital expenditure to provide match funding into the project. £129,600 of this amount can be met from the capital programme contingency budget. A summary breakdown of funding is provided below.

If it is agreed to submit the stage 2 bid and the bid is not successful DCC would need to undertake essential repairs only to keep the park open as outlined in option 2.

Project Costs / Funding

- 15 The costs presented in this report are Stage C project costs. They are still subject to approval from HLF and may change in the coming weeks as further information is received from the Design Team and Stage D designs are finalised following discussions with HLF and the Design Team. A breakdown of the project costs and funding for the Stage 2 HLF is as follows:-

Total Project Cost (£)	3,443,750
Total Capital Cost (£)	2,934,000
Total Revenue Cost (£)	509,750

Capital Funding (£)

External Funding	£
Heritage Lottery Fund	2,569,690
S106 Funding (ring-fenced)	45,910
Memorial Benches / Tree	47,800
Sponsorship	
Private Sector / Other Funding	16,000
Total External Funding (91%)	2,679,400

Durham County Council Funding	£
Durham AAP Area Budget (confirmed and in place)	24,000
Environmental Funding (discussed to be agreed)	16,000
North Road Wall (Confirmed and in place)	50,000
Local Transport Plan (discussed to be agreed)	35,000
Request for DCC Funding (spread over 9 years)	129,600
Total DCC Funding (9%)	254,600
Total Capital Funding (£)	2,934,000

Revenue Funding	£
Heritage Lottery Fund	393,250
Haggrid Project	10,000
Young Apprentice Grant	10,500
Per Cent For Art	26,000
Enhanced Maintenance by DCC (£14,000 p.a.) 2018 - 2023	70,000
Total Revenue Funding (£)	509,750

- 16 Within this option, the Project Board are eager to explore all opportunities that reduce on-going revenue costs. The high risk element is the operation of the Park Heritage Centre. Operating costs could be reduced if the centre was leased to a charitable trust and DCC passed on management responsibility. This could be achieved via the Wharton Park Friends Group, or any potential Culture and Sport Trust. If this approach is adopted, it is estimated that an additional £17k revenue savings will be achieved.
- 17 Considerable progress has already been made on the balance of the match funding for this project with significant contributions from Durham AAP (£24,000) and ring fenced S106 monies (£45,900). £50,000 has already been committed from current

DCC capital allocations for repairs to the North Road wall. A total of £129,600 would need to be funded from the Councils Capital Programme to help fund the project which can be spread over the later years of the project.

- 18 This includes a capital structural maintenance provision totalling £6,000 pa to cover the 5 year period from 2018/19 – 2022/23 which can be included as match funding. These are key elements of the match funding for the project which will help to draw in over £3.12m of other funding to greatly improve Wharton Park. In total, 91% of this project's funding is from sources other than Durham County Council which represents an excellent rate of return on investment even excluding the economic and social benefits generated by the project.
- 19 Overall, this report recommends that Option 3 is approved however, it will create a budget pressure of £67,000 from 2018/19. It should be noted that the overall increased expenditure is £94,000 which is offset by £22,000 of new income and a saving against the closure of North road Public Toilets of £5,000.
- 20 It is recognised that during times of significant austerity and considerable government grant cutbacks, an on-going increased revenue contribution totalling £67,000 per annum from 2018/19 onwards is a significant contribution to request. This on-going revenue cost needs to be considered in relation to the value of external investment secured which totals £3.12m.

Project Timetable

- 21 A detailed project plan has been developed which sets out the key areas of work that need to be completed, the timing of this work and who is responsible for carrying it out. The key milestones are as follows:-

- Request to Cabinet to submit stage 2 bid – 17th July 2013
- Stage 2 bid submitted to HLF Parks for People Programme - August 2013
- Decision from HLF on stage 2 bid - December 2013
- Permission to start received from HLF – January / February 2014
- Park closed and physical start on site - September 2014
- Capital works completed July 2015
- Grand opening August 2015
- Project completion autumn 2019

Project Consultation

- 22 Considerable project consultation has already been carried out with the local community and the Friends of Wharton Park. This has demonstrated strong support for all aspects of the project. Visitor surveys have been carried out in the park, a Community Engagement Plan has been drawn up and a Community Consultation Event was held in Durham Town Hall, online consultation has also been undertaken. The results of the consultation exercises have been published on the DCC website to show how the public's views have been taken into account and helped to influence the design of this project.

- 23 If the bid progresses further consultation is planned in July 2013 with the Friends of Wharton Park, local schools and the local community which will focus upon the plans for the heritage centre and play provision.

Project Risks

- 24 In accordance with good project management practice, a risk register has been set up which is actively managed and updated by the Project Board.

Conclusion

- 25 In summary the report sets out the potential for external investment of £3.12m, this does however come with the requirement to take on £67,000 additional revenue costs from 2018/19.
- 26 Any project of this nature also carries risks of running over budget and/or not meeting the required income targets set out at the business planning stage. These risks would lie with the Council however the Corporate Director for Neighbourhoods has put in place a strong project board to manage and mitigate such risks.
- 27 Clearly the council is focused on reducing revenue costs rather than absorbing new costs at a time of severely reduced Government grant. However investment of £737,000 in Wharton Park would be required over the period to 2018/19 on safety grounds as set out on option 2. The cost of borrowing to fund the capital that would be required for this option is actually equivalent to the increased revenue costs required for option 3
- 28 A successful bid as set out in Option 3 would bring £3.12 million external funding to the park, enhance the tourist offer and address the essential maintenance issues described in the report. For this reason option 3 offers the best outcomes on a value for money analysis. If the HLF bid is unsuccessful, then given the financial pressures facing the authority, only the essential maintenance and works described in option 2 can be funded by the authority.

Recommendations

- 29 It is recommended that:
- 30 A stage 2 HLF bid is submitted
- 31 That if successful, the council provides the match funding described in paras 15 to 20
- 32 That if unsuccessful, the Council undertakes the essential work outlined in option 2.

Contact: Nigel Dodds Tel: 03000 264599

Appendix 1: Implications

Finance – a capital contribution of £129,600 over the period 2014/15 to 2022/23 towards the overall costs of the project as set out in paragraph 19. This will help to draw in over £3.12m of funding from Heritage Lottery Fund and other sources to restore and greatly improve Wharton Park. On-going revenue implications amounting to £67,000 pa from 2018/19.

Staffing - Appointment of a Project Manager from 1 May 2013 to 31st January 2014 (funding secured from Durham AAP Councillor's Neighbourhood Budget) and from 1st February 2014 to 31st March 2016. Appointment of a Park Manager from 1 April 2015 for a period of 4 years. Both appointments subject to project funding being secured. Further staff will be required for the Park Heritage Centre / Café including a Café Manager, Assistant Manager and Café assistants (12 Casual staff amounting to 3 fte). Furthermore it is planned to recruit 2 young apprentices pa for a period of 12 months.

Risk - A Risk Register has been developed and sets out the main risks associated with the project, the risk likelihood and impact, the risk owner and the proposed actions to mitigate risks.

Equality and Diversity/ Public sector Equality Duty - An Equality and Diversity Impact Assessment screening has been carried out which identifies that the project will create a positive impact across specific equality groups by greatly improving the facilities in Wharton Park and ensuring access to such facilities is accessible to all where possible.

Accommodation - Provide the Project Manager and Park Manager with desks / computers within Neighbourhood Services until the Heritage centre is completed.

Crime and Disorder - None

Human Rights - None

Consultation - Considerable project consultation has already been carried out with the local community and the Friends of Wharton Park which has demonstrated strong support for all aspects of the project. Visitor surveys have been carried out, a Community Engagement Plan has been drawn up, a Community Consultation Event was held in Durham Town Hall on Saturday 21st April 2012 and an online consultation event was held. The results of the consultation have been published on the DCC website in December 2012 to show how the public's views have been taken into account and helped to influence the project. Further consultation is planned in July 2013 which will focus upon plans for the play provision.

Procurement - Durham County Council's procurement rules and regulations will be followed at all times. Due to the scale of the project the project will also be subject to the OJEU advertisement, rules and regulations.

Disability Discrimination Act - Every effort will be made to make Wharton Park and its facilities as accessible as possible for all. Disabled parking will be provided, the Heritage centre will be designed to facilitate disabled access and disabled toilet facilities will be provided. Disabled viewing areas will be created for the amphitheatre and to enable views of the Castle and Cathedral. The play provision will also take into account the needs of disabled visitors.

Legal Implications – Advice has been sought from Legal Services. There are no legal issues or implications linked to this report.