

DERBYSHIRE COUNTY COUNCIL

Cabinet

26 March 2013

Report of the Director of Property

Progress on the future of Elvaston Castle and Estate

1. Purpose of the Report

To seek Cabinet approval to the recommendations of the Elvaston Castle & Country Park Working Party.

2. Information and Analysis

2.1 Background

The County Council has been looking for a number of years for a solution which will provide a sustainable future for Elvaston Castle and the surrounding estate and relieve the Council of the significant ongoing annual maintenance costs, whilst maintaining public access to the Castle and Country Park.

The Council has been in discussion with the National Trust over the last 18 months about how the Trust might be able to assist the Council in finding a way forward that achieves an acceptable solution for the Council, the Estate and the community.

At its meeting on 18th December 2012 the Working Party was advised that an internal study by the National Trust into potential financial and governance models that could be applied to Elvaston was in progress and that the findings would be known in February 2013. In addition Members noted that discussions were continuing with the Heritage Lottery Fund (HLF).

The National Trust has confirmed that it now wishes to enter into a partnership with the Council, and a formal proposals letter has been received from the National Trust which outlines the proposed partnership arrangement and associated next steps.

2.2 National Trust Partnership Proposals

In rationalising their recommendation, the National Trust refer to the significance of the gardens at Elvaston and potential to restore parts of the Castle, coupled with the huge appetite to visit from the local communities.

The National Trust suggest that the likely capital costs of repair and restoration can be mitigated through the involvement of the private sector in developing redundant or empty buildings to new uses and through seeking HLF grant aid, which would assist the County Council with the remaining back log of repairs.

The National Trust recommends that the Trust acts as a catalyst for a consortium of public, private and voluntary sector involvement to secure the Estate's future. In practical terms they suggest that partnership working with the Council would be in three discrete activity streams over the next 12 months:-

1. Construction of a compelling and palpable vision which has wide stakeholder input and ownership
2. The formation of a formal coalition of partners from public, private and voluntary sectors to enact the vision
3. The construction of capital and revenue funding packages to underpin the delivery of the vision

The intended outcome of this work is that at the end of 2013/14 there should be:-

- an agreed and shared vision
- a package of funding bids
- a procurement package for the future involvement of private and community sector interests to take forward the vision

2.3 Discussions with the Heritage Lottery Fund

The HLF has suggested that a phased funding bid might be appropriate to Elvaston so that progress can happen at a sustainable pace. It was suggested that the Heritage Enterprise Grant Programme, due to commence in early 2013, might be the best bid option in the first instance. This would allow profit-making enterprises to make use of capital infrastructure works in return for a rental income to the management body overseeing the estate, the rental income being fully re-invested in the estate. In Elvaston's case this could facilitate the early repair and conversion of some of the most vulnerable buildings in the castle area whilst initiating a sustainable income stream for appropriate reinvestment. A further application could then be made for a Park for Peoples Grant for repair and restoration works to the gardens and park. Both grant programmes offer funding

of up to £5million with no restriction on making further staged bids if desired. Given the substantial potential cost of restoring the gardens it was acknowledged by the HLF that more than one successive bid might be applicable.

2.4 Working Party Recommendations

The Working Party believes that after many years of trying to find a workable solution for Elvaston, the involvement of the National Trust working in partnership with the Council offers the only effective way forward. The Council has learned from experience that trying to find a single solution for Elvaston is no longer likely to be successful, and this was as confirmed by the Strategic Options Appraisal, carried out in 2011. Working in partnership with the National Trust over the next 12 months will enable the Council to find a solution which it is hoped will attract substantial grant funding and relieve the Council of the significant ongoing running costs of the Estate in the longer term.

The Working Party is therefore making the following recommendations to Cabinet:-

1. That the Council enters into a mutually acceptable partnership arrangement with the National Trust to find a sustainable future for Elvaston Castle and Estate.
2. That Cabinet approves the allocation of £125,000 from general reserves for 2013/14 to fund the appointment of a project officer and other work to be undertaken by the National Trust, as well as external legal and financial support needed to assist the Council with the preparation of funding applications to the Heritage Lottery Fund and if applicable, other funding bodies, the drafting of legal documentation and the development of options and associated business cases.
3. That Cabinet waives standing orders in relation to contracts to enable the Council to enter into the mutually acceptable partnership arrangement with the National Trust on terms to be agreed by the Director of Property and Director of Legal Services.

3. Financial Considerations

If acceptable to Cabinet, it appears that the Council's immediate financial commitment arising directly from the above proposals would be the funding, for one year, of a project officer to be hosted by the National Trust. In addition to this the partnership approach is, however, likely to need further resources to assist in progressing item 2 above including legal, procurement, design, and planning. In

house Council and/or National Trust resources will be utilised where appropriate before the procurement of any further necessary external services is considered. It is estimated that the cost of a project officer and other services to be provided by the National Trust, together with external legal and financial support would be in the region of £125,000. It is proposed that these costs should be funded from general reserves for 12 months.

It is estimated that, if Cabinet approves the Working Party's recommendations, the Council would be at or close to submitting a Stage 1 HLF bid by March 2014. Assuming the bid is successful it is hoped that any further consultancy costs would be largely recouped from HLF funding.

4. Legal Considerations

The Council's Standing Orders permit Cabinet to waive the requirement to seek competitive tenders in respect of a proposed contract where Cabinet is satisfied that there are special circumstances justifying exemption.

The Director of Legal Services has advised that the circumstances set out in this report justify the waiving of Standing Orders to enable the Council to enter into this partnership arrangement with the National Trust, which will include the outcomes to be delivered by the Trust over the next 12 months.

Appropriate legal frameworks which would allow for the development and future management of the Estate are being investigated. Any proposal to dispose of any parts of the Country Park to which the public have access will require the Council to publish statutory notices and consider any responses received before reaching a decision on whether to proceed.

5. Other Considerations

In preparing this report the relevance of the following factors has been considered: crime and prevention of disorder, equality of opportunity and environmental, health, respect for human rights, personnel and property considerations.

6. Key Decision - No

7. Call In - Is it required that call-in be waived in respect of the decisions proposed in the report? No

8. Officer Recommendation: That Cabinet:-

- 8.1 agrees that the Council enters into a mutually acceptable partnership arrangement with the National Trust to find a sustainable future for Elvaston Castle and estate;
- 8.2 approves the allocation of £125,000 from general reserves for 2013/14 to fund the appointment of a project officer and other work to be undertaken by the National Trust, and external legal and financial support required to assist the Council with the preparation of funding applications to the Heritage Lottery Fund and, if applicable, other funding bodies, the drafting of legal documentation and the development of options and associated business cases;
- 8.3 agrees to waive standing orders in relation to contracts to enable the Council to enter into a mutually acceptable partnership arrangement with the National Trust on terms to be agreed by the Director of Property and Director of Legal Services.

**Jeremy Goacher
Director of Property**