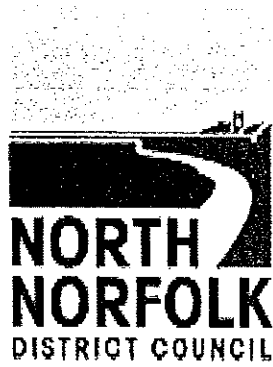


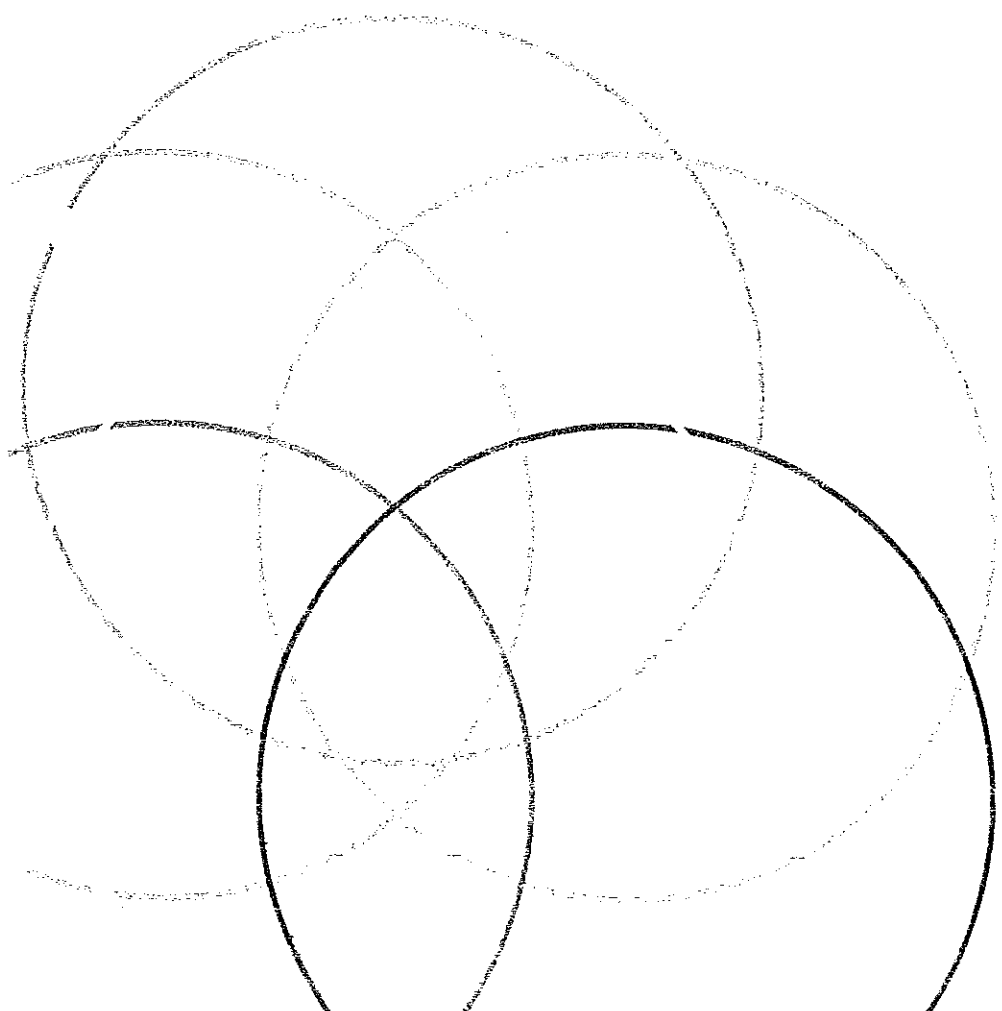
Interim Report -
Draft

North Lodge Park, Cromer

North Norfolk District Council



May 2013



Contents

Report

1	Introduction	1
	Background	1
	North Lodge Park Working Group (NLPWG)	2
2	North Lodge Park, Cromer	3
	Brief History	3
	Location Context and Boundaries	3
	Buildings & Third Party Interests within the Park	5
	Listed Buildings/Conservation Area	6
	Previous Studies	7
3	Workshop & Consultations	9
	Stakeholder Workshop	9
	Further Consultations	11
4	Running Costs at North Lodge Park	13
	NLP Running Costs	13
	Costs Summary	15
5	Revenue Generation Potential	16
	Prospective Income Generation Proposals	16
	Potential Income Generation	20
	Grant Funding Sources	20
	Summary Table	23
6	Prospects for a Community Enterprise	24
	Prospective Legal Form	25
	Interest from Local Stakeholders	26
7	Summary & Next Steps	27
	Options for Consideration	27
	Next Steps	29

Appendices

Appendix 1 – List of Consultees

Quality Assurance

Date

24 May 2013

Version

Filename and path

S:_Client Projects\1301 North Lodge Park Cromer_NNDC\AVI
Report\130521 North Lodge Draft Report V7.docx

Authorised by

Limitation

This report has been prepared on behalf of and for the exclusive use of Aspinall Verdi Limited's Client and it is subject to and issued in connection with the provisions of the agreement between Aspinall Verdi Limited and its Client. Aspinall Verdi Limited accepts no liability or responsibility whatsoever for or in respect of any use of or reliance upon this report by any third party.

1 Introduction

- 1.1 AspinallVerdi have been appointed by North Norfolk District Council in response to the "Tender Brief for the development of Community Asset Transfer report – North Lodge Park, Cromer"; issued November 2012. The aim of the study is to consider the business case for an asset transfer of North Lodge Park to a special purpose vehicle. AspinallVerdi provided a detailed tender dated 2nd January 2013 and the work undertaken subsequently has followed the process set out in our proposal.
- 1.2 This is an interim report intended to inform further work and discussions with individuals who have expressed an interest in becoming involved and inform a business plan, which could be prepared to take the asset transfer forward.
- 1.3 Key decisions can be made now, which will affect the attractiveness of a community enterprise to prospective participants and indeed the financial sustainability of the proposal into the longer term.

Background

- 1.4 This study has been commissioned in the context of a number of influencing factors. We set these out in no order of priority.
- 1.5 First, it is considered that whilst the Park has an important role to play in Cromer, however the Park is not realising its full potential. For instance at present there is little opportunity for children's play, with the exception of the boating pond. Arguably the Park has become a public space to pass through, rather than one within which to dwell. This point is made in the context of park projects across the Country where parks, including those which are historic, have been the subject of refurbishment and reinvestment to provide a valuable resource for local people and visitors.
- 1.6 There have been proposals in the past which have been met with significant resistance from local people. Whilst such proposals and resistance may not have been handled in the best way and some resistance has been based on incorrect assumptions, this has led to a situation whereby future investment and prospective change has become a challenge in itself.
- 1.7 Next, with pressures on public sector spending (including local government) aspects such as leisure services including parks are coming under pressure to find cost savings. Whilst the Park does generate some income it is recognised that there is a deficit which needs to be considered.

- 1.8 It is also recognised by the Council that the last decade has seen a significant amount of activity in the development of community-led organisations and the social enterprise sector. The relatively recent Localism Act (2011)¹ has taken this movement further with the enactment of policies including
- The Community Right to Bid; and
 - The Community Right to Challenge.
- 1.9 The former of these policies gives community groups the prospect of securing public sector assets through a process of asset transfer. It should be noted that NNDC has an Asset Transfer Policy (December 2012)². We are aware of a number of community enterprise projects in North Norfolk and the support that NNDC have provided in the past.

North Lodge Park Working Group (NLPWG)

- 1.10 The working group has been set up as a Task and Finish Group and comprises both the District and Town Councils. The terms of reference as set out in a position statement dated 31st August 2012 are:

"In order to assess the role that the community and representative organisations could play in the Park's future, North Norfolk District Council and Cromer Town Council will seek to work in partnership alongside key stakeholder groups and the wider community involvement in North Lodge Park's future. The council's will agree to undertake an assessment of the way forward that could be progressed through targeted community engagement and evaluate the potential for securing the transfer of the park to a trust body (legal status to be determined as part of the study) that would ensure future long term community benefits and from there maintain the role of the Park as a community asset for the people of Cromer and its many visitors".

- 1.11 The working group has met a number of times with the consultants and has been providing guidance to the work undertaken. Representatives on the working group include

- Cllr John Lee
- Cllr Dorothy Airs
- Cllr Philip Harris
- Cllr Trevor Ivory
- Julie Chance – Town Clerk – Cromer Town Council
- Robert Young – North Norfolk District Council
- John Mullen – North Norfolk District Council

¹ See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5959/1896534.pdf for plain English guide
² http://www.northnorfolk.org/files/NNDC_Community_Asset_Transfer_Policy_-_December_2012.pdf

2 North Lodge Park, Cromer

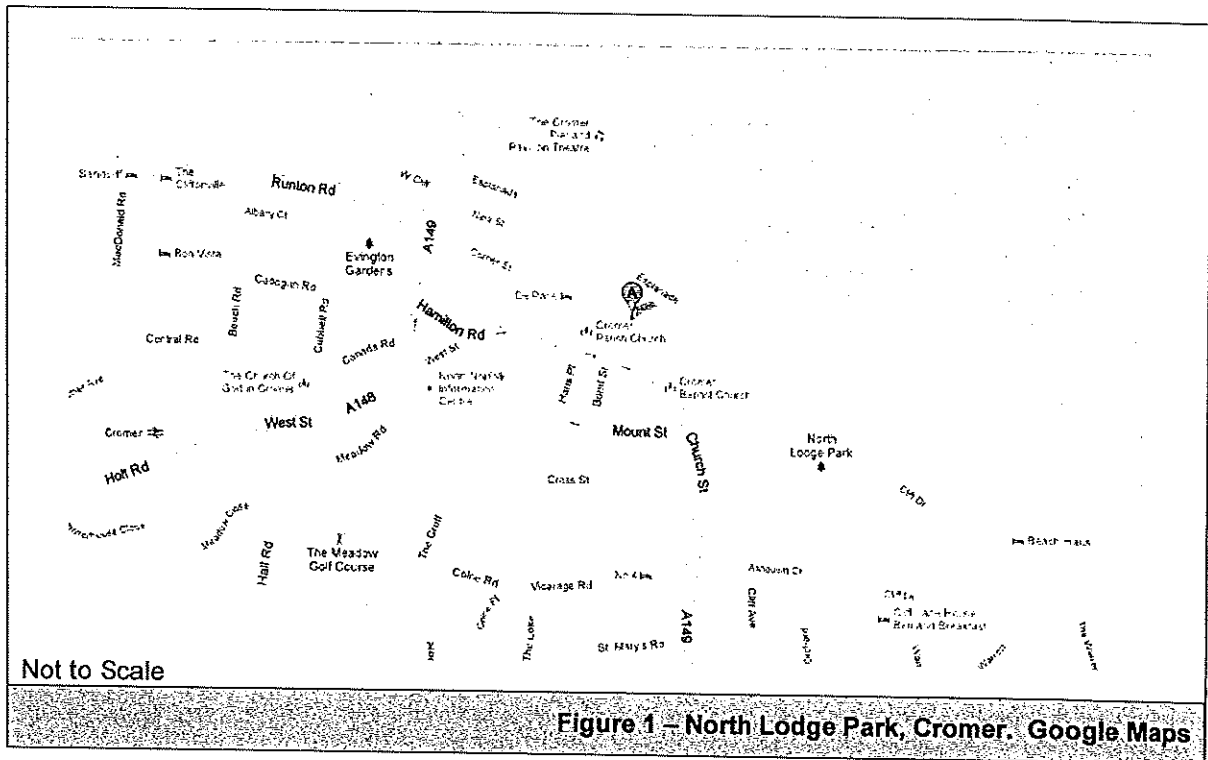
- 2.1 In this section we provide information which is relevant to the Park and its future, this includes specific property information and also contextual information which is relevant to the position the Park has in the Town.

Brief History

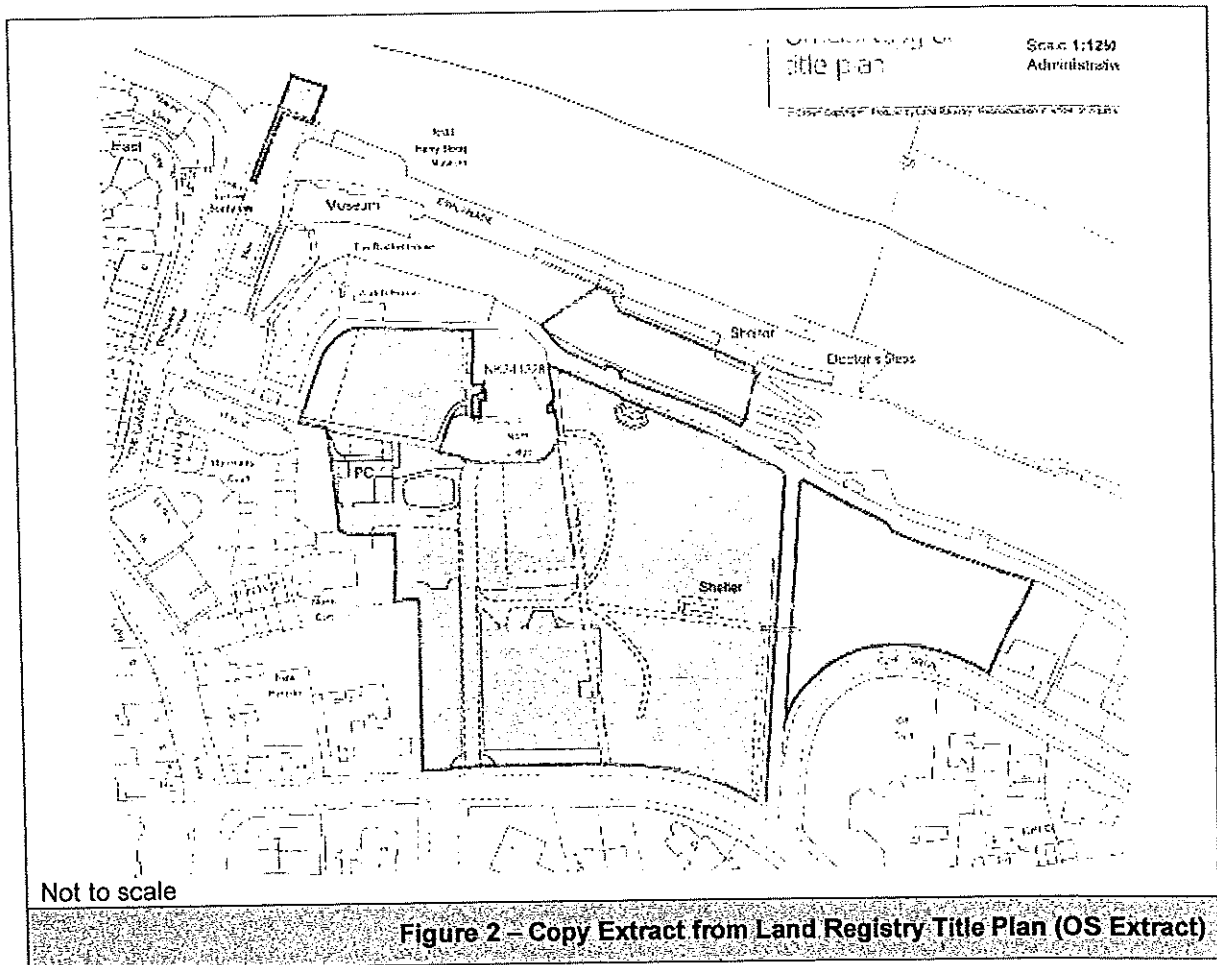
- 2.2 North Lodge Park was opened up to the public in 1929 having earlier been in the ownership of the Goldsmith's Company of London and then subsequently owned by wealthy local individuals. The Park has enjoyed a rich history of change and use both before and after the acquisition by Cromer Urban District Council. In particular the additional land, namely the cliffs to the north, the Rocket House Gardens and the land to the east were acquired around the time of the Second World War. In this historic period there has been a history of donations and gifts being made towards furniture and other aspects of the Park. More recently the Park and the Lodge have been separated in ownership terms with the Lodge now in the ownership of the Town Council and the remainder of the Park with the District Council.
- 2.3 It may be said that the layout and overall structure of the park dates from the Second World War period and whilst some minor changes have been made the Park now requires some refurbishment and investment for reinvigoration and to regenerate use and interest.

Location Context and Boundaries

- 2.4 North Lodge Park is located to the east of the Town Centre and lies above the cliffs overlooking the Pier, Rocket House and foreshore. The Park has a network of footpaths which are used frequently to access both the foreshore/beach and the Town Centre. To the northern edge of the Park is the footpath which takes pedestrians from the Town Centre and along the cliff tops towards Overstrand.
- 2.5 As mentioned the Park is very close to a number of popular tourist destinations including the Pier, RNLi Henry Blogg Museum and the Rocket House Café.



- 2.6 The plan at Figure 1 shows the location of the Park with Cromer Town Centre. The Park is accessed by a variety of footpaths, whilst vehicular access is provided from Overstrand Road, which at its junction with the A149 becomes one way. Church Street and Mount Street form a one way system within the centre of Cromer. The area shaded grey and to the north of the Meadow Golf Course is the Town Centre's main car park for visitors and the Tourist Information Centre is located at the northern end of the Meadows Car Park.
- 2.7 The area to the south of the Park is predominantly residential and it is well overlooked giving a sense of security.



2.8 The extent of the Park is see in Figure 2 above. The areas edged red and shaded blue and yellow are the key elements. It will be noted that there are two north-south footpaths which are excluded from the title. It is also clear that the hard standing to the front (south) of North Lodge has been retained with the building on disposal.

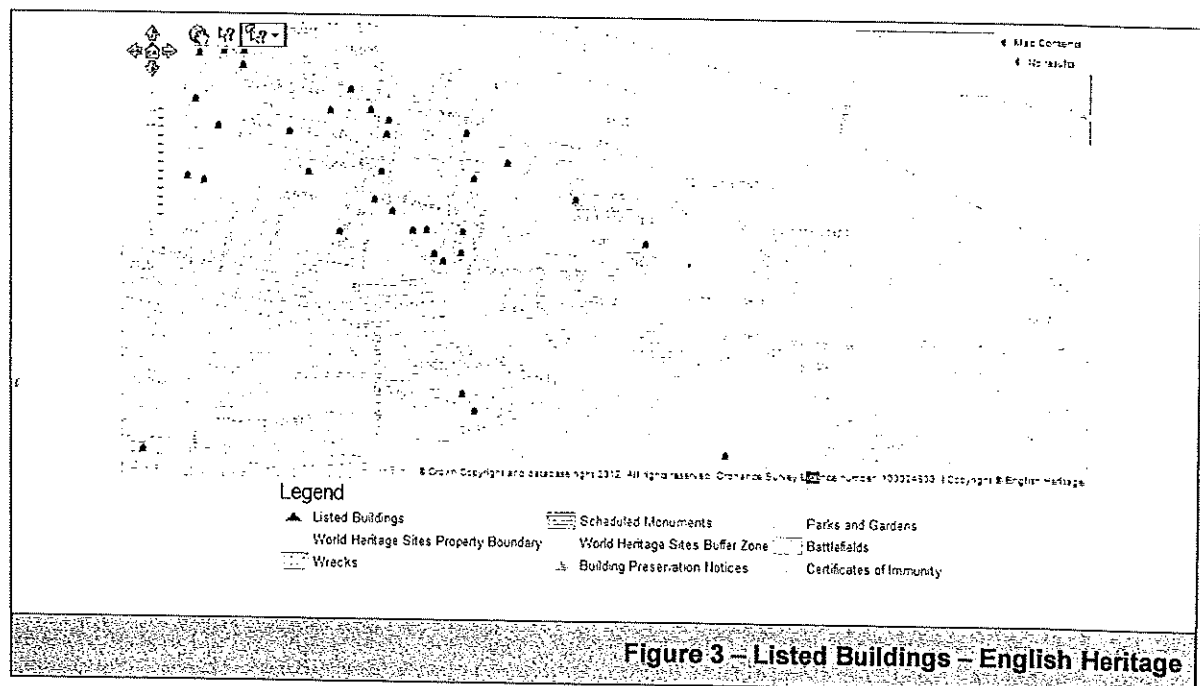
Buildings & Third Party Interests within the Park

2.9 There are a number of buildings and structures within the Park. The largest building is North Lodge which are the offices of Cromer Town Council. Within this building there are third party businesses that occupy the space for office purposes. We also understand that there is a single residential unit which has been sold subject to a long-leasehold interest. North Lodge will remain in the ownership and control of the Town Council and there is no intention to alter the current arrangements.

- 2.10 Close to North Lodge lies a complex of historic buildings which were originally constructed as tea rooms. The complex of single storey buildings now comprise a children's pre-school (Seaview), public toilets and a café. The pre-school is leased on the basis of a 25 year lease from 2010³. The public toilets are the responsibility of NNDC. The café space overlooking the boating pond has been the subject of a licence granted to an operator on a seasonal basis.
- 2.11 The bowling green and putting green areas of the Park are also the subject of seasonal licences which are granted on a competitive basis to a private entity whom will operate and manage the facility. We will provide information relating to the income generation of the licences later in the report.
- 2.12 Other structures within the Park comprise a range of shelters such as Rust's Shelter which overlooks the sea to the northern boundary and the Davison Shelter in the middle of the Park. The bowling green also enjoys a covered bench along its eastern edge. To the north of the children's play area there is the former "stage building" which is used for storage at the present time, but could be used for a variety of purposes.

Listed Buildings/Conservation Area

- 2.13 It is important to recognise the heritage of the Park and the buildings that are within and beyond its' boundaries. The plan below, taken from English Heritage's website indicates the locations of the Listed Buildings.



³ Date of lease 22.10.2010 with a right to renew for a further 25 years. A peppercorn rent is payable.

- 2.14 The plan at Figure 3 identifies North Lodge and the Watch House as both having Listed Status. The Park is also within the Cromer Conversation Area. The presence of Listed Buildings and the Conservation Area create a quality setting for the Park.

Previous Studies

- 2.15 Studies in the past have commented on North Lodge Park. We have been made aware of the following work

Study Title / Author/ Date	Comments Relating to North Lodge Park
Whole Settlement Strategy Cromer, NNDC, (March 2003)	This study highlighted that "the range of community and recreational facilities are limited, particularly for young people...". Specifically, "North Lodge Park is underused as a recreational area and new uses should be investigated" (Pg 5). Under objectives "consider the creation of a 'civic centre', perhaps at North Lodge Park", and "consider the future of North Lodge Park for alternative outdoor recreational use.". Finally the report also mentions the Park can be "...a focus for the Town and hold open air events".
Cromer Regeneration Study, Colin Buchanan and Partners, (1999/2000)	This earlier study took a detailed look at Cromer. North Lodge Park is mentioned a number of times and the key points are made under Priority 3 (Pg 73) where the consultants have suggested a series of enhancements including <ul style="list-style-type: none"> • Greater sense of enclosure • Improve access (from the east) • Greater seating and activity • A small additional car park
Cromer Conservation Area Character Appraisal and Management Plan, NNDC, (Summer 2012)	Particular comments made within this document include <ul style="list-style-type: none"> • Cromer lacks meeting spaces, with the exception of North Lodge Park, The Meadow and Runton Road Gardens • The Meadow and North Lodge Park are the most important green spaces in the Conservation Area • "Is a vital area of greenery next to the seafront and beach that offers enormous potential for future enhancement and public use" • "However, there remain larger tracts of 'neutral' areas such as the car parks and the North Lodge Park that would benefit from enhancement." • Under Future Priorities and Recommendations:- "The District Council will encourage the development of enhancement schemes at North Lodge Park and West Promenade."
Table 1 – Summary of Previous Studies	

- 2.16 The context of table 1 above indicates that issues relating to the Park date back sometime and concur with comments being made now in our consultations. Equally it does indicate that little has changed in this period and that progress needs to be made in order for greater enjoyment of the Park itself, but also for the wider benefit of Cromer. Unlocking this potential and accessing funding for investment should be key priorities for Councils and indeed the local community.

3 Workshop & Consultations

- 3.1 Engagement with stakeholders was considered critical to this study to understand the appetite for delivery and asset transfer and to encourage positive participation in the process.
- 3.2 A workshop has been held and subsequently this has been followed up with discussions with separate meetings.

Stakeholder Workshop

- 3.3 Through dialogue with the Working Group key groups and individuals were identified and invited to a workshop event which was held at Merchants Place on 4th March 2013. The event was held in the evening to maximise attendance. The aims of the workshop were to
- Impart information about the study and the Park
 - To commence a dialogue regarding the prospects of an asset transfer
 - To encourage interest and participation in the idea of an asset transfer.
- 3.4 There were twenty individuals who attended the event and signed the attendee list. The key groups represented included
- Cromer Chamber of Trade
 - Cromer Parish Church
 - Cromer Preservation Society
 - Other individuals involved in Cromer public life
- 3.5 The workshop comprised a presentation, which included a presentation by Becky Jefcoate of the Wells Maltings Project. The intention here was to give attendees a live example of a relatively local community enterprise project and to understand what is involved.
- 3.6 The workshop session provided the following response in terms of the opportunities the Park presents and the barriers that the social enterprise could face.

Q1 Opportunities at North Lodge Park
<ul style="list-style-type: none"> • Horticulture plant sales • Events • An endowment – from the Council • Grant funding – for the setting up phase / capital expenditure • Apprenticeship and training opportunities • Pitch charges for a marquee – even if for a limited no of occasions • Holding of a market? • Taking income directly from the café and putting greens • Providing a multi-purpose space – i.e. winter garden • Outdoor cinema/shows/musical events • Carnivals • Play area is needed to attract families • The park should be a destination – more of a thoroughfare now
Q2 Opportunities and barriers for a community enterprise
<ul style="list-style-type: none"> • No existing organisation – i.e. working group • Divided opinions in terms for future plans for the Park • Where will the organisation be based? • The Park needs investment in better amenities • There is significant local interest • What support will there be for the new entity • Volunteer sector may already be stretched • Liabilities are being transferred and the perception of this is a barrier
Table 2 – Comments made at the workshop event

- 3.7 The workshop event was useful in commencing a dialogue with the local community and beginning to share ideas and thoughts about the Park. Subsequently a number of separate discussions/meetings have taken place which have informed further thinking and information gathering regarding the prospects of income generation and prospects of a community asset transfer and enterprise.

Further Consultations

- 3.8 The discussions that have taken place have identified some interest in the prospect of an asset transfer and the prospects of managing and maintaining the Park. However, several points which are mentioned above were reiterated and these are summarised below
- Concerns were expressed regarding the prospect of generating sufficient income for the project to be sustainable in the long term;
 - It was considered that number of individuals that could be available/interested in this project would be limited – capacity is limited as many of the people are involved in other projects;
 - The availability of volunteers will be limited too – there is an active voluntary sector, but its is felt that there is little spare capacity;
 - Given the likely level of income that needs to be generated and the factors mentioned above it was felt that employees would be needed to undertake day to day activities – this would have a further cost implication;
 - Comments were frequently made regarding car parking. These were on two separate bases
 - First that car movements within the Park are not ideal (i.e. it has raised particular health and safety issues relating to the Park when events have been held); and
 - That parking provision at the east end of Cromer Town Centre needs to be addressed particularly if the usage of the Park is to be intensified.
- 3.9 During these discussions the consultants have explored the prospects of other community enterprises/assets being combined with the Park in order to both create synergies in terms of use, but also to help create financial efficiencies through having a number of different income streams being handled by employed staff. The response to these aspects has been positive in terms of exploring other assets such that other income streams and synergies can be generated. In particular aspects such as the putting greens across Cromer and the Runton Road car park and showfield have been mentioned. Others have mentioned the short-let beach huts which have obvious proximity to North Lodge Park.

- 3.10 The idea of existing community enterprises considering the Park asset transfer opportunity, has met with a more mixed response. Whilst it has been considered as an idea worth exploring the following issues have been raised
- What effect could taking on the liabilities of the Park have on a current entity?
 - Would funding be made available that would cover a shortfall between income and expenditure relating to North Lodge Park.
 - That the organisation would possibly need to change its aims and objectives to take on a separate asset which comprises mainly open space, rather than solely a building. This is an administrative issue which would require the Board to draft, agree and put into place the necessary changes.
- 3.11 Notwithstanding the above there has been interest expressed in exploring this further with the Board of Merchants Place.
- 3.12 The opportunity that the Park presents at the present time is a challenging one and therefore future success will involve addressing a number of different issues including
- How the funding/income will be generated to make the project sustainable
 - Can the parking deficit on the east of Cromer Town Centre be addressed
 - How the community can see the benefits of an asset transfer and what this delivers
 - Generating the interest and excitement which generates positive community interest and participation.
- 3.13 The foregoing points are revisited in the final section of this report.

4 Running Costs at North Lodge Park

- 4.1 Fundamental to a future asset transfer is the financial sustainability of meeting operational costs through the generation of income. At this stage of the work we present our work to date. As the business planning process progresses a greater amount of detail can be explored.
- 4.2 At this stage we are relying on information provided to us and we believe that this will need to be reviewed going forwards to ensure it is valid.?

NLP Running Costs

- 4.3 Currently NNDC employ contractor Kier Group, to provide environmental services for the District⁴. This significant contract comprises a wide range of services including the provision of management and maintenance of North Lodge Park. NNDC officers have secured an estimate of the time and costs that Kier expend at the park and these costs can be summarised as follows

Costs for landscaping maintenance and cleansing

Item	Time/ Amount	Rate	Sub-Total
Estimated time commitment	219.75 days	£97.68	£21,465
Annual Spend on plant and materials (e.g. fertilizer, etc)	£1,500-£2,000		£2,000
Plant & Machinery	Various costs		£10,000 est
Total			£33,465

Table 3 – Costs Estimate from Kier

- 4.4 We should stress that the Plant & Machinery figure is based on hire rates provided by Kier, but is not a figure which has been provided by them. The estimate is an allowance which we consider would cover these costs.
- 4.5 The figures above solely relate to the landscape maintenance and we have obtained a separate estimate of the costs in respect of cleansing (including litter collection) at the Park. This cost is estimated to be in the order of £5,134. This service is also currently provided by Kier as part of their services to the Council.

⁴ Contract commenced in 2011

Other revenue costs of the Park

- 4.6 In addition to the costs mentioned above we have identified a range of costs that the community enterprise would need to cover

Item	Amount (per annum)	Notes
Business Rates (VOA Rating List)	£2,532 (rates payable)	Rates payable for 2013/14. Relates to café, putting greens and public convenience.
Public & Employers Liability Insurance	£900	Based on quotation.
Building and structures maintenance	£1,500	Allowance for works to building structures and under-spend would be accumulated.
Development Worker (x1.5)	£34,500	Based to 1.5 individuals. Costs include allowance for associated employment costs.
Office	£2,000	Allowance made for costs of securing a small office ⁵ .
Office expenses	£1,250	Running costs for the office
Marketing and Events Budget	£3,000	Budget allowance for marketing and communications costs.
Total	£43,150.00	

Table 4 – Other Revenue Costs

- 4.7 The elements in table 4 above amount to almost a further £45,000 per annum. Business rates are normally payable by the organisation in occupation, such as a tenant, however it can be the case that the landlord provided an "inclusive" arrangement where the Business Rates are paid by the landlord. Whilst the potential exists for another party to meet the cost of business rates, should the community run these facilities, then these costs would need to be met by the organisation/community.

Costs related to a Community Organisation

- 4.8 There would be other costs associated with a community organisation taking on the management and maintenance of the Park. We set these out overleaf

⁵ We understand that a room could be made available in North Lodge and that the cost indicated would be the inclusive cost of occupation.

Item	Amount	Notes
Laptop/Phone	£750	Allowance made for acquisition of equipment
Website	£3,000	Allowance to put in place a website for marketing and other purposes
Company registration & legal advice	£2,500	Cost allowance for securing necessary advice to establish the entity
Legal fees for head lease advice	£2,500	Legal costs to put the headlease into place.
Total	£8,750.00	

Table 5 – Other Revenue Costs

- 4.9 The legal cost allowances above have been made on the assumption that a new entity will be created to take forwards the management and maintenance of the Park. Clearly should an existing organisation take this on, then there may be some savings to be made.

Costs Summary

- 4.10 In the preceding sections we have set out costs which a community organisation could incur in operating and managing North Lodge Park. These costs can be presented as those which are recurring (revenue) costs and those which are one-off (capital) costs to commence the project.

- Recurring costs £81,749 per annum
- One off start up costs £8,750

- 4.11 The costs above are clearly significant. We should stress that these allowances require further testing, particularly the costs relating to the costs in table 3 above. It may be found that when tendering such work to another contractor that such services can be procured, at a lower cost, to that currently estimated. Furthermore it is considered that savings could be made from

- reviewing and changing planting schemes to generate lower cost requirements;
- that the extent of the putting greens could be reduced and this could result in lower requirements for mowing;
- using sponsorship or other similar community (planting) initiatives costs could be reduced.

5 Revenue Generation Potential

- 5.1 North Lodge Park currently enjoys modest income generation. Information provided by NNDC gives the following information

Element	Income Generated	Comments
Tea Rooms	£350.00	Licence granted for the Tea Rooms only for a single season.
Bowling Green and Putting Greens	£1,270.00	Licence granted for a single season. Figure relates to just NLP, although agreement includes three facilities NLP, The Marrams and Runton Road
Table 6 – Table Title		

- 5.2 The accommodation provided to Seaview Playgroup (pre-school) is leased to the organisation by NNDC for a period of 25 years from October 2010. There is a peppercorn rental as a significant sum was invested in refurbishing the premises and the rental reflects this investment.
- 5.3 We have also already mentioned that North Lodge does not form part of this commission as it is in the ownership and control of Cromer Town Council.
- 5.4 When the current income generation is compared with the running costs it can be seen that there is a significant shortfall. To help meet this gap there would need to be a wide range of initiatives/activities which could help to generate income. A number of these ideas were identified and discussed at the workshop. We set out below an initial analysis of income generating proposals.

Prospective Income Generation Proposals

- 5.5 We cover a broad range of ideas in the table overleaf, which require further testing and consideration. At this stage the information is presented in order to reveal what may be possible and provide a sense of what income potential exists.
- 5.6 A useful resource for information, ideas and case studies for generating income in parks can be found at www.prosperousparks.com. This resource has been funded by Big Lottery, Heritage Lottery and The Land Trust as a response to the current pressure that these assets are under and the opportunity presented to local communities to take control of such assets.

Proposal	Investment required	Income Potential	Comments
<p>Café & Putting/Bowling Green Income – running the facilities in house and running these.</p>	<p>Small investment may be needed in equipment, however the most significant element would be employment costs to operate and manage these facilities. Providing better signage and promotion, especially from the foreshore and pier could be useful in driving more patronage.</p>	<p>We do not have gross turnover figures for the café, however we do have some information relating to the putting and bowling greens which in 2011 generated a gross income (before costs) of £14,786. A target income of £15,000 could be budgeted for the putting and bowling greens. The café income is influenced by the need for employees to run it and also the length of day and season it is open. Whilst very difficult we would suggest that the net income from the café could be in the order of £200 per week between mid April and September (19 weeks) so this could total £3,800.</p>	<p>There is a synergy between operating the café and the putting/bowling greens. The facilities can be monitored and managed from there and hopefully by driving more custom to one the other will benefit – especially in the high season. The café would have costs associated with heating, lighting and equipment maintenance which would also need to be taken in to account.</p>
<p>Marquee Events – related primarily to Weddings held at North Lodge</p>	<p>It is not anticipated that a marquee or other equipment would have to be acquired however it is likely that at least a single supplier would need to be found that could provide a "package".</p>	<p>Charges could range from simply a fee for pitch hire – through to a charge which could cover the provision of other services (i.e. provision of marquee and other services). A simple pitch fee may be in the order of say £500. In addition to weddings a marquee may be useful to hold markets/fairs where being under cover would help to attract the traders. Based on 6 wedding bookings and 5 other event bookings at say £300 each this could generate in the order of £4,500 per annum.</p>	<p>We understand that there are up to 28 marriages at North Lodge per annum and that enquiries are often made regarding other services. A package which provides catering, marquee and other elements would enable the service to be properly marketed and compete with other facilities in the wider area.</p>
<p>Markets – occasional markets which would be themed and well promoted</p>	<p>Stalls would need to be acquired and these would need to be stored somewhere when not in use. Costs could be incurred in erection and dismantling the stalls, if volunteers cannot be found. Signage would be needed, especially from car parks and the Town Centre. Promotion and advertising would also be important.</p>	<p>NNDC currently quote a charge of £15 per pitch. However this is variable. It is likely that to be successful and overcome the lack of parking issue we anticipate that specialist markets are most likely to be successful and these may include a regular monthly farmers market (once a month) and then additional specialist markets (i.e. Easter, Christmas and during the high season. On the assumption of 11 farmers markets plus an additional 6 themed markets there may be potential to generate in the order of £1,500 per</p>	<p>We note that there are markets in North Walsham (Thursday), Stalham (Tuesday), Sheringham (Wednesday/Saturday) and at the Meadow Car Park Cromer (Friday). The number of likely traders is limited and therefore it would be necessary to theme markets carefully and work with the traders. The lack of proximate car parking may be considered an issue as will be servicing access. It should be noted that we have not accounted</p>

Proposal	Investment required	Income Potential	Comments
<p>Events – given the necessary space the Park can be used to host events of a wide variety</p>	<p>There are spaces, such as the former children's play area and stage building which could be used to host events. Some investment could be needed to prepare this space and make it safe and suitable. In addition to physical work, there would need to be significant effort in developing a programme of events which would ideally include existing events such as the Crab & Lobster Festival, the carnival and fairs.</p>	<p>It is extremely difficult to estimate what income could be generated from events as many of these will be free to access/use; but will generate income through</p> <ul style="list-style-type: none"> • Sponsorship • Pitch fees for businesses to attend and provide services • Increased usage of facilities such as the café <p>It is anticipated that some events could be ticketed, although this would therefore require effort in making events secure and of course the ticketing activity itself would need to be managed.</p> <p>We consider that it would be appropriate to have a target income of say £5,000 per annum from events.</p>	<p>for the cost of acquiring the market stalls above and this could require an investment in the order of £1,800 (at £300 each)</p> <p>The events programme would need to be carefully managed and coordinated with other events and facilities across North Norfolk. It would be hoped that North Lodge would become a venue and destination which can add to the overall offer of Cromer.</p>
<p>Sponsorship/ Other Income</p>	<p>This would involve human resource mainly in promotion and implementation of the ideas and proposals which come forwards.</p>	<p>There may be potential for initiatives which generate donations or sponsorship opportunities for income generation. For instance perhaps permitting a local garden centre to maintain a display planting area and advertise by virtue of that. An innovative memorial idea could also be developed which would allow individuals the opportunity to have a plaque (or similar) and again a small fee could be charged.</p> <p>Donations towards the refurbishment and maintenance of the Park may also be sought, but this would only be possible where Park is in community control and has support in terms of the</p>	<p>This will depend on some creative ideas which can bring wider community interest together with feasible ideas for the Park.</p>

Proposal	Investment required	Income Potential	Comments
Car Parking Income	This will require creation of an area of hardstanding at the Park which would enable cars to park safely. Potentially there are a number of options such as the site of the Rose Garden or the area accessed off Cliff Drive. A pay and display machine would need to be acquired and maintained.	<p>amenities it is providing.</p> <p>It is not anticipated that this would be a significant income, it may generate in the order of £1- 2,000 per annum.</p> <p>On the assumption that 15 spaces could be provided on a similar charging basis to NNDC car parks elsewhere in Cromer, the potential exists to generate in the order of £22,500 per annum. This is gross income.</p>	This is a very sensitive issue and is provided here as a matter of information. Such a scheme could only proceed if supported by the local community. There has been significant resistance to such a proposal in the past.

Table 7 – Income Generation Proposals

Potential Income Generation

- 5.7 Based on the information set out in the table above it can be seen that there may be the prospect of generating in the order of
- Without car parking income - £30,800 per annum
 - With car parking income - £53,300 per annum
- 5.8 There is a gap between the prospective revenue and costs identified (i.e. over £50,000 per annum on the no car parking option). It would be appropriate to consider options to reduce this gap as far as possible and this could involve the inclusion of other assets which generate revenue and which have some relationship with North Lodge Park. We understand for instance that the putting greens income at Runton Road (Marrams) is in the order of £16,000 per annum.
- 5.9 The figures above must be read in the context of the prospective costs which are associated with managing and maintaining the Park and indeed the capital that needs to be invested to deliver some of the facilities envisaged.
- 5.10 The capital investment that is needed for the Park to be refurbished could be sought by a community enterprise from various grant sources. We provide further information in the next section.

Grant Funding Sources

- 5.11 There are a number of funding sources available depending on the options pursued in terms of the delivery and management models for the Park. The different funding elements are:
- Feasibility Funding
 - Capital Funding for the Park and buildings
 - Revenue funding for the on-going management and maintenance of the Park/ and or delivery of services.
- 5.12 In the case of both smaller and larger sources of funding the applicability of the fund is dependent on a number of variables:
- The use/activities proposed at the Park by the applicant
 - The intended beneficiaries
 - The specifics of the proposal
 - The funding amount required

- The nature of the applicant
- 5.13 Potential sources of funding are considered below. An overview to the requirements of specific funders is provided; however the very nature of funding is highly bespoke. Further detailed work will need to be undertaken to progress a funding strategy when the aspirations for the Park and the delivery/management options have been refined.
- 5.14 A table is included at the end of this section giving a summary of some key sources of funding; what they fund and whom they are suitable for.

Heritage Lottery Fund

- 5.15 The Heritage Lottery Fund is useful for a cohesive heritage project. The Parks for People Fund, provides the largest funding pot for capital projects. The fund envisages that applicants will be local authorities, but partnerships and not-for-profits can apply. The funding offers between £250,000 and £5.0m for park projects that meet criteria. It funds both capital projects and activities. The aims of the programme are to provide every community with
- a well-designed public park maintained to Green Flag awards standards (it should be noted that North Lodge Park has not achieved this status)
 - opportunities to learn about the heritage qualities of their park
 - opportunities to take an active part in managing the park.
- 5.16 Should a bid be progressed there are two stages of an application requiring greater depth of information as the application progresses. The first round of bidding is to be submitted either 28 February for a decision in June, or 31 August for a decision in December.
- 5.17 It is usual to have a dialogue with Heritage Lottery Fund early on and to make an expression of interest (project enquiry form).

Asset Transfers

- 5.18 The Social Investment Business runs the Community Assets and Services Grants Programme for organisations wanting to take up opportunities in the pursuit of an asset transfer from a public body. A preference is for small organisations looking to build capacity.
- 5.19 This includes recently launched capital grants for purchasing assets. Funds are available for different elements of the process:

- Pre-feasibility grants are for amounts up to £10,000 and are for organisations to build their internal capacity to prepare to take receipt of an asset transfer or, else, a bid to buy land and buildings of community value;
- Feasibility grants will be made available to organisations that demonstrate they have the potential to meet local needs through the acquisition and management of land and buildings. These grants are mixed capital and revenue for amounts of up to £100,000 and can be used by organisations to develop investment proposals and carry out feasibility studies equipping them to take ownership of assets through discounted transfer or, else, bid to buy land and buildings of community value;

Environmental Improvement Funds

5.20 The table below illustrates some of the potential funding sources for community projects in Norfolk. These are area dependent and specific. The exact applicability of these sources needs to be explored fully and matched to specific activities and outcomes.

Funder	Region
Environmental Projects Agency	Norfolk
Waste Recycling Environmental Ltd (WREN)	Funds multiple regions
Royal Society of Wildlife Trusts - Biffa Award	Funds multiple regions
CEMEX Community Fund Limited	Funds multiple regions
SITA Trust	Funds multiple regions

Public Funds: Community Construction Fund

5.21 The Norfolk County Council Community Construction Fund has been created to enable communities across Norfolk to bring to life building projects that will make a real difference to local life. The second application round has started with over £1 million being available from the original pot of £3.5 million. Grants from £100 - £100,000 are available. A further round of funding is planning for September 2013.

5.22 The aim of the fund is to help get a wide range of construction schemes off the ground – things like improvements to indoor and outdoor community facilities; village hall extensions; sports facilities; nature, animal or wildlife attractions; community gardens; scouting or guide huts; outside gyms; play areas, and improved access for disabled or older people. Organisations such as town and Parish Councils, charities, schools and clubs may apply.

Other Opportunities

- 5.23 There is a wide range of small scale funding for community groups and social enterprise. Examination of sources such as the Funding Central database (www.fundingcentral.org.uk) will identify a range of prospective sources, which predominantly support charity and voluntary groups in the provision of local services. Trusts such as Lankelly Chase and the Tudor Trust also provide support to community groups and organisations, often providing funding towards development workers in order to enable groups to get established.

Summary Table

- 5.24 The below table summarises the key sources above in terms of the funding type and the nature of the applicant.

Source	Funding Type			Applicant		
	Feasibility	Capital	Revenue	Local Authority	Not-for Profit/Charity	Local Groups
Parks for People	N	Y	Y	Y	Y	Y
Asset Transfer (SIB Fund)	Y	Y	Y	N	Y	Y
Community Construction Fund	N	Y	N	Y	Y	Y
Small Grants	N	Y	Y	N	Y	Y
Environmental Improvement Funds	N	Y	Y	Y	Y	Y

Table 8: Funding (February 2013)

6 Prospects for a Community Enterprise

6.1 The proceeding sections have set out significant information regarding North Lodge Park. There are a number of issues which relate to the Park and we present below an analysis of current status.

Political	Economic
<ul style="list-style-type: none"> Asset transfer is dependent on NNDC approval and support NLP has attracted significant attention in the past from the local community and there will be significant interest in both future governance arrangements and indeed the physical proposals for the Park Both NNDC and the Town Council need to work closely together 	<ul style="list-style-type: none"> Future sustainability of the community enterprise is a critical factor Income generation proposals all have varying degrees of risk and indeed some are contingent on securing funding to undertake capital works Local incomes are low and therefore limit potential spend at the Park The 'Staycation' / tourism market is an opportunity for Cromer to benefit from tourism and attract greater numbers of visitors It would be advantageous for the community enterprise to be VAT registered as this will assist trading activities, although it will mean that some individuals/businesses will incur VAT
Social	Technological
<ul style="list-style-type: none"> Cromer has a demographic which leads to competing requirements and aspirations and these need to be identified and addressed Amenities for young people are limited in Cromer and there is a need to address this The heritage value of the Park (and Town Centre) is an opportunity which provides opportunities for more visitors 	<ul style="list-style-type: none"> The use of website and good communication links with the local and wider community could help to drive use of the Park – this requires investment Provision of WIFI may be an opportunity to attract visitors to the Park
Legal	Environmental
<ul style="list-style-type: none"> Legal agreements would need to be entered into between NNDC and the community enterprise. A headlease is likely be the mechanism to transfer control of the asset. A service level agreement may also be needed in order to ensure specific services/amenities are provided to the 	<ul style="list-style-type: none"> Achieving Green Flag status is a key issue and this will follow only if the community support the park initiative The Park is a valued, yet under-utilised amenity and a comprehensive plan for refurbishment and adaptation needs to be brought forwards which has community

<p>local community.</p> <ul style="list-style-type: none"> • Agreements will need to be put into place by the community enterprise with service providers and other users of the Park (i.e. market stall holders or licences in respect of pitch fees/concessions). • The legal form of a community enterprise will need to be decided which will also include considerations such as charitable status. 	<p>support</p> <ul style="list-style-type: none"> • Car parking both in terms of availability in east Cromer and in terms of cars in the Park needs to be addressed as this has an impact in several ways to the future of the Park.
<p>Table 9 – PESTLE analysis</p>	

6.2 The analysis above indicates a number of challenges which a future community enterprise would need to address. The political and local concerns with the future of the Park are worthy of particular mention as they are perhaps second only to the issue of future income generation and financial sustainability.

Prospective Legal Form

6.3 The community enterprise will require a legal form and these can include the following. This is not an exhaustive list but summarises the more common options.

Organisation Types	Legal Forms
Cooperative	Industrial & Provident Society (IPS)
Development Trust	Community Interest Company (CIC)
Community Land Trust (CLT)	Limited Company (by guarantee)
Social Enterprise	Charitable incorporated organisation
<p>Table 10 – Organisation types</p>	

6.4 Critically as we are dealing with a prospective asset transfer of an amenity which must be accessible to all, it would be appropriate that the legal form permits

- An asset lock – that the asset cannot be realised by any group or individual and must be retained for the public good; and
- Has a level of accountability to another authority or its wider membership. For instance a Company Limited by Guarantee is an often used legal form where the company has a single member which could be NNDC and that there is an elected Board in place to operate the organisation. By contrast an IPS (cooperative) can be a membership

organisation where members would participate in the running of the organisation through the election of a Board, hold annual general meetings and receive minutes.

- 6.5 We have mentioned earlier that the community enterprise may wish to operate as a charity and indeed also seek to be VAT registered as this can permit VAT to be reclaimed. These issues will need to be carefully considered in the context of the proposed business activities and what implications it can have on both securing funding, but also whether this will affect future users?
- 6.6 The most appropriate legal forms are likely to be the Industrial and Provident Society (coop) or a Company Limited by Guarantee. Detailed work will be needed to draft and to put into place appropriate Memorandum and Articles of Association to ensure that the Board and organisation can operate effectively. Whilst there are significant resources made available through Locality and Coops UK legal advice will be need to be secured.

Interest from Local Stakeholders

- 6.7 During the period of this commission a number of organisations and individuals have been met. We have highlighted in section 3 feedback received and issues which have been raised. It is clear to the consultants that
- The Park attracts significant interest
 - A small handful of people have expressed interest in being involved, however
 - They are mindful of the history and challenges relating to past proposals; and
 - That income generation is regarded as being challenging.
- 6.8 It is highly likely that any group will need support to form both their proposals and organisation going forwards. At the present time the consultants have not called a joint meeting and this would be the key next stage of the process.

7 Summary & Next Steps

- 7.1 The work undertaken to date has been set out in this interim report. Information has been gathered with respect to the Park, via workshop and meetings held with local stakeholders and analysis of the information gathered.
- 7.2 It is clear from the work examining costs and revenue generation potential that a significant gap exists. Ensuring that a sustainable solution can be found will be challenging moving forwards. The scale of this deficit is such that an endowment (or dowry) would have to be very significant and therefore this is not considered to be a practical proposal.
- 7.3 There is significant interest in the Park and whilst there is a complex history there remains interest in improving the facilities (to varying degrees) and in the potential for a community enterprise to operate and manage the Park. This interest is at the early stages and further work is needed for this group to 'form' and begin to become active in developing proposals further.

Options for Consideration

- 7.4 Three options are set out below which can be considered in terms of next steps and moving the proposal forwards for a community enterprise. The options are not mutually exclusive although with option 3 there is a clear need for careful consideration of the detail and implications of such an approach.

Option	Description
1. Progress a community enterprise for NLP only	For the interested individuals to meet and review the information provided within this report and to investigate and explore further the income generation potential. Approaches can be made to funding organisations to explore the availability and conditionality of funding to support the prospective organisation. This further work will test further the viability and interest in the project and whether it could be sustainable.
2. Explore prospective merger with an existing community enterprise	<p>This option builds on No. 1 above as an innovation. Discussions can take place with existing organisations such as Cromer Past Present Future to explore synergies and opportunities for expanding the role of the organisation. This has advantages in terms of the potential to build upon the existing capacity of the organisation.</p> <p>It would be important to include other interested individuals into this discussion to ensure that ideas and participants are not lost to the process.</p> <p>This option may lead to shorter timescales as the group may be in a position to bid quite early for funding.</p>

	<p>The implications in terms of the objects (in the Memorandum & Articles of Association) of the organisation would need to be reviewed to ensure that they are appropriate and any necessary changes to be made identified.</p>
<p>3. Explore within specific parameters inclusion of related assets which could create efficiencies</p>	<p>The third option is to explore the inclusion of other assets which could generate greater income and income generation opportunities. Indeed such inclusion may also enable NNDC to both generate savings, but also create a new partner organisation which can assist in delivery. A 'Cromer Parks Trust' has been proposed which could manage open spaces in the Town.</p> <p>During the discussions, which have taken place, ideas such as the inclusion of the car park and associate land at Runton Road has been mentioned and indeed the short-let beach huts too.</p> <p>This option requires careful consideration, however it does also present an opportunity for Cromer to establish a new approach to the management of open space.</p> <p>The criteria for selecting and assessing such assets should be those where synergies exist; as there will be greater opportunity for benefits both financial and otherwise to be generated.</p>
<p>Table 11 – Options</p>	

7.5 From the perspective of attracting and enabling individuals to set up a new community enterprise, option 3 would be the most attractive. The inclusion of one or two more assets (such as the land at Runton Road) would have the following benefits

- Enable the two open space areas to play a complementary role (e.g. linked venues for festivals etc)
- The offer of putting greens could be rationalised to make these facilities more attractive and generate more income
- Runton Road would help to create more income generating opportunities (e.g. could a community energy generation project generate income for re-investment)
- Enable greater efficiencies to be created when procuring landscaping services; or indeed justify direct local employment of individuals to provide these services
- A successful social enterprise would become an exemplar and this in itself would help to attract attention and visits to Cromer.

7.6 Ultimately a sustainable community enterprise may enable other services and amenities to be delivered. There are a number of social enterprises which have taken on a wider role than initially envisaged and have helped to regenerate their local communities.

Next Steps

- 7.7 The content of this interim report needs to be reviewed by the Working Group and North Norfolk District Council. Feedback will be needed with respect to the options set out above and indeed there may need to be preliminary work undertaken to review what if any prospect exists for option 3 prior to taking a decision. To be clear this would involve the specific consideration of certain assets which we consider to be appropriate for consideration.
- 7.8 Following this feedback it will be possible for instructions to be given to the consultants to take forwards further work with respect to the selected option(s).
- 7.9 We would anticipate that this report would be shared with key individuals that have expressed an interest in becoming involved with the Park and indeed to meet with them collectively to discuss and agree how to move forwards. The individuals would need to be able to agree on their aspirations and vision for the Park and the community enterprise in order to be comfortable working together in the coming period.
- 7.10 Detailed work both in terms of business planning and securing funding can then be pursued.

Appendix 1 – List of Consultees

Name	Role
Tony Shipp	Carnival/Crab and Lobster Festival
Tracey Khalil	Chamber of Trade
Peter Stibbons	Chamber of Trade
Jim Bond	Cromer in Bloom
Andy Boyce	Cromer Preservation Society
Ruth Bartlett	Cromer Preservation Society
Carolyn Candish	Cromer Preservation Society
Cllr Phillip Harris	Cromer TC
Marion Saunders	Cromer TC
Tim Bartlett	Cromer TC
Cllr Dorothy Airs	Cromer TC
Hilary Cox	Cromer TC/NNDC
David Eve	English Heritage
Martin Green	Estates and Valuations Manager
Mr Steve Godson	Headteacher
Robert Young	NNDC
Cllr. Trevor Ivory	NNDC
Paul Ingham	NNDC
Cllr. John Lee	NNDC
Scott Martin	NNDC
Sonia Shuter	NNDC Health & Well Being Group
Scott Massingham	Owner North Lodge House
Brenda Stibbons	Resident
Kate Oakley	Seaview Playgroup
Julie Chance	Working Group/Cromer TC
Ed Land	Youth Church Minister/ Skateboard
Andrew Harrison Robertshaw	Cromer Youth Council
Martin Torrens	Virginia Court Hotel