Company structure

The Trust is a Company Limited by Guarantee and a registered Charity. It is what is often called a ‘third sector organisation’, a ‘not for profit company’ and a ‘social enterprise’. This means that it has a social purpose that fits within the legal definition of a charity. Under this structure it can generate income and make profits and operate much the same way as a private business with one big exception – the Trust’s money and its assets can only be used to pursue its social purpose, which is defined in the Trust’s Articles of Association.

The Articles state that the Primary Object is to provide, maintain and equip parks, gardens, landscaped areas, woodlands, open spaces, playing fields, playgrounds and recreational amenity spaces within the Borough of Milton Keynes and the environs, for the benefit of the inhabitants and visitors to the area. This land is referred to as the green estate.

The Secondary Objects of the Trust are to advance public education in the area of benefit, with particular regard to horticulture, arboriculture, wild plants and wildlife and to provide or assist in the provision of facilities for recreation or other leisure time occupation, in the interests of social welfare and with the object of improving the conditions of life for the inhabitants and visitors to the area.

The Board of Trustees

The Trust is governed by a Board of Directors who are also Trustees. Some Trustees are nominated to the Board – three by Milton Keynes Council; one by the Association of Urban Parish Councils; one by The Royal Forestry Society and one by The Royal Agricultural Society of England.

Given the extent of the Trust’s land holdings and property interests, it is perhaps not surprising that we currently have a number of chartered surveyors on the Board; we also have experienced environmental professionals, accountants, farmers, and a lawyer. Several of our Trustees work in the public sector and several are directors of private companies. Three of the Trustees are nominated by Milton Keynes Council which helps ensure the Trust has a good close working relationship with the Council. It is, however, independent of the local authority, Government, or any other organisation or business.

All the work undertaken by the Trust is for the benefit of the public. Here are some examples of what we do and how it benefits the public:

- Nearly all of the 5,000 acres of green space the Trust owns in Milton Keynes is available to the public to use freely, every day of the year. The benefits of parks to society, to the economy, to health and well-being and to the local and global environment are well known and widely accepted.

- The environmental education and the events programmes organised by the Trust, raise awareness of the parks in the local area and help people better understand and appreciate the green environment within the new city.

- Our volunteers’ programme enables local people to become actively engaged in our work – helping us provide better facilities and undertake work we would not otherwise be able to do and helping them by giving them meaningful and rewarding activities.

- The promotion of the Parks and of the Trust encourages the residents of Milton Keynes to use and to value their parks and to interact with the Trust so that we may understand their needs and respond to their suggestions.

- The management of the Trust’s investments is undertaken solely for the purpose of providing the income and the long term financial security so that the Trust is able to carry out its charitable objects in perpetuity.
As well as ensuring the Trust remains focussed on its charitable objects, the Board has five important functions:

1. To set and monitor the strategic direction of the charity and to ensure that our strategy is aligned with the values and mission of the Trust.
2. To ensure the Trust is properly managed and complies with all relevant law and has the resources, policies and structures necessary to be effective and ensure the highest standards of corporate governance.
3. To determine the way the Trust is governed and monitor, guide and authorise the work of its sub-committees.
4. To approve all major decisions, policies and the financial statements.
5. To ensure that appropriate protection, systems and checks remain in place to mitigate exposure of the Trust to major risks.

The Trust’s succession planning ensures that the Board is constantly refreshed and that the mix of skills and experience remains appropriate to the work the Trust carries out. When we have vacancies on the Board we usually advertise these locally and follow a transparent selection process.

Management of the Trust

The Board employs a Chief Executive, who is also the Company Secretary and delegates responsibility for the day to day running of the Company to him. The Chief Executive leads the management team which comprises:

- Head of Community Engagement - Briony Serginson
- Property Director - Jenny Strathern
- Head of Operations - Robert Riekie
- Head of Landscape, Strategy and Development - Philip Bowsher
- Communications Managers - Liz Woznicki and Nadir Farrell
- Finance Director - Derek Don.
- Financial Controller – Gavin Gager
- Health & Safety/HR Manager – Rachel Whitehall

The Trust has around 43 employees (full time equivalents). We have a small Direct Works Team of seven staff but most of the physical landscape management work is undertaken by independent contractors who tender for the work.

The staff team comprises four sections:

Community – liaison with the community, organising events and activities to ‘animate’ the parks, management of recreation and leisure uses including licences, environmental education, volunteer management

Operations – the physical management of the green estate; inspections and safety checks of the parks, play areas and equipment and facilities; dealing with adverse possession

Communications – promoting and positioning the parks and the Trust; managing the Trust’s website and social media; implementing the Trust’s signage strategy; dealing with adverse publicity

Finance and admin – day to day management of finances, administration, preparation of annual accounts and management accounts; management of the Trust’s investments.
The Land owned by the Trust

The Trust has three different types of land under its control:

- parkland, floodplain, ancient woodland, scheduled monuments
- transport corridors which are also sometimes known as parkways
- income-earning assets

Most of the land in the first category is held on a 999 year lease from Milton Keynes Council which owns the freehold. The lease requires the Trust to maintain the land in accordance with good silvicultural, horticultural and arboricultural and landscaping practice. The lease limits what the Trust can do with the land – for example it cannot build on the land without the consent of the freeholder. Much of the land is within the floodplains of the river catchments – the Great Ouse, the Ouzel, and the Loughton Brook. Some of it is Scheduled Ancient Monument (12 sites), some designated as local wildlife sites (5) and one of the Trust's three ancient woodlands is a site of special scientific interest.

The second category is owned by Milton Keynes Council as Highway Authority and was previously owned by Buckinghamshire County Council. The Council has precedence in the transport corridors for any use for transport purposes and is fully responsible for the upkeep of the road and redways within the corridor and the verges, roundabouts and central reservations immediately associated with the highway. Subject to these considerations, the land within the corridors is leased to the Trust on a 999-year lease, and the requirements of the Trust come immediately behind those of the highway authority.

The third category includes all the Trust's commercial properties, some of which were included in the original endowment from the Development Corporation. Within Milton Keynes the Trust owns neighbourhood shopping centres at Neath Hill and Shenley Church End; two multi let office buildings (Linford Forum and Shenley Pavilions), eight public houses and two industrial estates. Elsewhere in the UK, the Trust owns a number of retail warehouses, convenience stores and offices. The Trust owns the freehold of this property and is able to buy and sell in line with its investment strategy.

The Trust’s Finances

The Trust is self financing and generates the income needed to maintain the green estate from its investments and from its operations including farming, letting of paddocks, events, sale of timber and commercial leisure activities. For any information on the Trust’s latest accounts please contact g.gager@theparkstrust.com.

The majority of our landscape management costs are incurred on three year maintenance contracts. Currently there are around 20 term contracts covering different areas of the city and ranging in size from £50K to over £1m. Each term contract covers routine maintenance operations such as: grass cutting, weed control, shrub pruning, tree maintenance, litter collection and hedge cutting. Non-routine work is either let as specific one off contracts (typically for thinning a plantation or resurfacing leisure routes) or is undertaken by contractors working to a schedule of rates tendered at the start of the year. In this way flexibility is maintained and costs kept very tightly under control.

The work of contractors is complemented by volunteers (around 160) who are supported by a full time Volunteer Co-ordinator. Whilst our volunteers are not very involved in maintenance operations they are an important part of the process, particularly in terms of reporting damage and defects and carrying out more intricate and specialist
work such as habitat creation and hedge laying. We also have volunteers who help out in the office, work with our Education and Events Rangers and some who take photographs for us to use in our communications work.

The Trust has a responsibility to ensure it is financially sustainable in the long term and therefore it has a financial strategy with two main aims:

- generating regular and sustainable annual income in sufficient quantities to fund all the work it wants to do to maintain and enhance the Green Estate, and
- building its asset base to a size that it can, in time, invest it in low risk investments to reduce its exposure to any future economic downturns

The Trust has developed a long term financial model that helps us to work out expenditure requirements well into the future, the size of the asset base we need to fund the Trust and what level of total return we need from those assets in order to be financially viable in the long term. We currently have a net asset value of £86.7m and plan to grow this to £120m (at today’s prices) by 2025 in order to put the Trust on a sound financial footing.

The applicability of the Milton Keynes Parks Trust model to other locations

We get many enquiries about our model and whether it could provide a template for the long term management of public open space elsewhere. We are acutely aware that it is still early days and the real test will be whether in one hundred years’ time the Trust is still financially sound and still maintaining its green estate to the same high standards it is today. We believe we have made a good start but we are still building an organisation that will be able to do the job in perpetuity.

Our model has a great deal to commend it including:

- The Trust has managed and continues to manage, its green estate to a high standard. Essentially it has one job to do and can focus on that job and should be able to get better and more efficient at doing it every year.
- The Trust continues to be independent and self financing and can therefore plan ahead without fear of cuts in public sector funding or changes in political priorities.
- Its asset base has been well managed and as a result has grown at a faster rate than the increase in costs of managing the land.
- It has created and adequately funded sinking funds for major capital replacements.
- It is well respected in the parks, forestry and landscape professions and is greatly valued by the people of Milton Keynes.
- It has recruited and retained a high calibre board of Trustees and staff.

A number of factors have been important in contributing to its early success and these need to be born in mind when considering applying the model elsewhere:

- The Trust appointed some very high calibre staff and attracted some very astute Trustees. It could have been very different if certain key individuals had not been involved in the Trust right from the start.
- Property in Milton Keynes has been a very good investment and, although there have been periods where the Trust’s property has not performed well, the Trust’s property portfolio has generated sufficient funds to pay for the maintenance of the green estate, to provide for the sinking funds and to increase the asset base.
- The high performance of the property portfolio has also enabled the Trust to cope with a number of unforeseen cost implications. For example the Trust has only been able to recover a small percentage of the VAT it pays out; the cost of landfill has significantly affected annual litter collection costs; the increase in cost of insurance, particularly public liability and employers liability; various storms and floods.
- The Trust has been very focused on building a robust and sustainable organisation and has not allowed anything to distract it from its cause. In the early days it operated in the Trust acquired the strategic open space in Milton Keynes which presents its own management challenges that are different (not bigger or
smaller) to those presented by small scale parcels of land pepper-potted around a town or city. It has relatively little formal, high maintenance parkland and neither does it have a backlog of repairs and maintenance that burden many parks authorities.

Two other key points of note are:
- The Trust has continued to take new parks and open spaces and the developers have been willing and able to fund the endowment sums required by the Trust.
- The local authority here in Milton Keynes has resolved that it would like the Trust to take on the management of its green space and we are currently exploring how this can be brought about without jeopardizing the viability of the Trust.

Whether the MKPT model would succeed elsewhere is difficult to say, a more in depth assessment would be needed. However, when one looks across the country at the sorry state of much of the public open space and the immense challenges and problems facing local authorities in particular, we believe it is well worth considering.

David Foster
Chief Executive – The Parks Trust