

Otterpool Park Stewardship

6 September 2022

FHDC Stewardship Objectives

Stage 1

- Establishment of an appropriate stewardship vehicle

Stage 2

- Identification and transfer of assets to be managed by the stewardship vehicle
- Development of a viable funding model based on a hybrid of sources
- Development of a sustainable business plan to deliver long-term stewardship, including community development activity

Stewardship 'Vehicle' Options

























- There are a range of options of which can deliver the strategic principles set out by the Council:
- a limited liability partnership (LLP)
- a community interest company (CIC)
- a company limited by guarantee (CLG)
- a charity - can either be a Charitable Incorporate Organisation (CIO) or a Charitable Company Limited by Guarantee (CCLG).

Assessment of 'Vehicle' Options

Options have been reviewed alongside specialist advice obtained from Browne Jacobson (legal advisors) and Kreston Reeves (finance and tax advisors). The factors reviewed were:

- Governance relationship between FHDC, Otterpool Park LLP and the stewardship Vehicle
- Regulatory Framework
- Taxation
- Alignment between the Stewardship Strategic Principles and Otterpool Park Charter
- Future transition to a potential town council
- Community and charitable activities.

Assessment of 'Vehicle' Options (2)

<u>Criteria</u>	Limited liability partnership (LLP)	Community interest company (CIC)	Company limited by guarantee (CLG)	Charity
Governance relationship with FHDC and SV				
Regulatory Framework				
Taxation				
Alignment to Stewardship Strategic Principles and Charter				
Future option to transition to a town council				
Community and Charitable activities				

Assessment of 'Vehicle' Options (3)

- This initial review points to the most advantageous type of SV as being either an **LLP** or **CLG** structure
- Following the initial review of the options it is considered that the following are the key factors that should be given most weight when considering the SV option:
 1. the governance relationship between the Council, Otterpool Park LLP and a new SV
 2. the regulatory framework
 3. taxation

Assessment of 'Vehicle' Options (4)

The establishment of a Stewardship LLP as a subsidiary of Otterpool Park LLP is recommended as the most appropriate form of SV:

- simplified relationship with the Council and Otterpool Park LLP (group structure)
- strong Council control and influence, particularly in the initial years
- ensures a direct link with Otterpool Park LLP, coherence and alignment with the Otterpool Park vision and place making ambition
- maximises the benefits of skills and experience of the Otterpool Park team and the Council
- Significant Stamp Duty Land Tax and Corporation Tax benefits

Initial Stewardship LLP Board

- It is proposed that an initial Board is established of 6 consisting of :
 - 2 nominated by the Council
 - 2 nominated by Otterpool Park LLP
 - 1 nominated by the Nominee Company (Otterpool Development Co Ltd)
 - 1 nominated from the community
- Initial focus on embedding stewardship into the wider delivery of Otterpool Park and establishing related business plan and operations.
- Transition to more community led approach over time as Otterpool Park evolves.

Timescale

- Subject to Cabinet approval the timescale for establishment of the Stewardship LLP is:

Oct 2022	Establish 'dormant' LLP company
Nov 2022	Develop draft business plan
Jan 2023	Business Plan approved by Cabinet
Jun 2023	Board appointed

Next Steps

- Cabinet report October 2022, emerging recommendations:
 - 1) agree the overall approach to delivering stewardship
 - 2) agree the establishment of a stewardship vehicle as a Limited Liability Partnership and as a subsidiary of Otterpool Park LLP
 - 3) receive a further report with more detail on the assets proposed to be transferred to the vehicle, the treatment of assets, and funding model supported in a detailed business plan
- Return to OSC with draft business plan for the stewardship vehicle in November 2022