A. PURPOSE OF REPORT

The purpose of this report is to update Council Executive on the proposal, via a Private Member Bill, that the regional park boundary should be extended and to agree the council’s response to the Scottish Parliament’s Finance Committee call for evidence on the matter.

B. RECOMMENDATION

It is recommended that Council Executive:

1. notes the update on the proposal by Christine Grahame, MSP to extend the area covered by the regional park designation across the full Pentland Hills range;

2. agrees the responses to the questions raised by the Scottish Parliament Finance Committee in relation to the Private Members Bill to extend the Park (Appendix 2) and that these are submitted by the deadline of 16 October; and

3. agrees that a further report on the extension to the park should be presented to the Environment PDSP and Council Executive if the proposal progresses beyond the Private Members Bill stage.

C. SUMMARY OF IMPLICATIONS

I Council Values

- Focusing on our customers’ needs;
- being honest, open and accountable;
- making best use of our resources; and
- working in partnership.

II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)

The report accords with the adopted West Lothian Local Plan (WLLP) policies ENV 29 and 30 which confirms the council’s support to Pentland Hills Regional Park.

The report does not raise any SEA, equality, health or risk issues.
III Implications for scheme of delegation
None.

IV Impact on performance and performance indicators
None.

V Relevance to Single Outcome Agreement
Outcome 8 - We make the most efficient and effective use of resources by minimising our impact on the built and natural environment.

VI Resources - (Financial, Staffing and Property)
West Lothian Council currently contributes £15,000 per annum towards the park's overall operating budget of £337,000 from its existing revenue budget.

Any extension to the park boundary will have financial implications but these have not yet been quantified. There is no budget provision in the council's approved financial strategy for any increased contributions towards an extended regional park.

VII Consultations at PDSP
An update on the proposal to extend the park, and the terms of the park's annual report is being reported to the Environment PDSP on 29 October. However, because of the deadline for responses to the Scottish Parliament Finance Committee there has been insufficient time to report the proposed response to the Call for Evidence to the PDSP.

VIII Other consultations
Finance and Estates.

D. TERMS OF REPORT

D.1 Background
West Lothian Council co-operates with City of Edinburgh Council and Midlothian Council in the management of the Pentland Hills Regional Park (PHRP). The area of the park in West Lothian is only around 10% of the designated area.
The PHRP Ranger Services is managed by the lead authority, City of Edinburgh Council (CEC). The regional park was established in 1986 and was initially managed by the former Lothian Regional Council with structural funding from the former Countryside Commission for Scotland. Since then the park has adapted to local government re-organisation in 1996 and significant changes in external funding, including the withdrawal of Scottish Natural Heritage funding in 2006/7.

Over 600,000 people are estimated to use the Regional Park annually.

D.2 Update on Proposal to Extend the Regional Park Boundary

After initially raising the idea at a Regional Park Consultative Forum in October 2013, Christine Grahame MSP launched a formal proposal of increasing the geographical area of the park to cover the whole Pentland Hills range, as was originally proposed in the early 1980’s, with a public consultation between February and May 2014.

This envisages the regional park extending further into West Lothian and South Lanarkshire, towards the A70 near Carnwarth and the Borders to the A702 (see Appendix 1 for plan of potential new boundary location).

The MSP recognised that councils would be unable to support extension financially and that new ways of directing funding to the regional park would need to be found, perhaps through a trust model. Christine Grahame MSP has now lodged a Private Members Bill with the Scottish Parliament, together with explanatory notes and a policy memorandum that includes a Financial Memorandum.

D.3 Scottish Parliament Finance Committee Call For Evidence

A call for evidence from the Scottish Parliament’s Finance Committee seeks views by 16 October 2015 to a number of questions relating to the Pentland Hills Regional Park Boundary Bill. The council was only asked for evidence on 11 September 2015 and, as such it has not been possible to consider the proposed response at the Environment PDSP. A proposed response is set out as appendix 2.

After the deadline has passed all written evidence will be considered and the Committee will decide whether it wishes to take oral evidence on the Financial Memorandum. Should it wish to do so, it is anticipated that this would take place later in 2015.
D.4 West Lothian Council’s Position

Previous considerations have established that the council’s view is that it remains to be convinced of the need to extend the regional park area, as there would undoubtedly be additional staff, management and facility costs. There is no provision for meeting these additional costs. A strong business case remains critical as in the recent past, the park budget has been under threat through funding organisations, such as Scottish Natural Heritage (SNH), withdrawing support and local authority funders indicating that funding could be under pressure given wider efficiency requirements.

It is the council’s view that the need for a park extension, the issues facing the proposed area and the financial implications needs to be established through a strategic feasibility study. SNH is considered to be best placed to undertake this study to advise all relevant parties and it is disappointing that they have not done so.

Concerns also remain that moving to a trust model, while it may allow some of the financial pressures to be addressed, would weaken local authority involvement in, and not address the revenue costs involved in, running the regional park.

It is re-iterated that the financial burden for local authorities remains unclear if the park extension proposal was to go ahead. There is no budget provision in the council's approved financial strategy for any increased contributions towards an extended regional park.

Scottish Borders Council have reiterated their stance that the proposed park extension was in a peripheral area in relation to the bulk of the Borders population where their investment priorities lay and they saw no demonstration of need. South Lanarkshire Council’s position is not known.

Further reports will be made to both the Environment PDSP and Council Executive if the park expansion proposal continues to progress through the Private Members Bill and whether there is merit in considering adopting a trust model for future management of the regional park.

E. CONCLUSION

The Pentland Hills remain an important visual landscape backdrop for West Lothian. Land managers and residents, within the park area, benefit from the involvement on the PHRP Rangers Service in a wide range of management, recreational and ecological issues.

The potential extension of the geographical area of the regional park continues to be advanced by an MSP and a Call for Evidence to consider aspects of the proposal has been issued. The proposed response is appended to this report and it is stressed again that there is no budget provision in the council's approved financial strategy for any increased contributions towards an extended regional park.
F. BACKGROUND REFERENCES

Scottish Parliament Private Member Bill on Regional Park boundary is available at:
http://www.scottish.parliament.uk/parliamentarybusiness/Bills/88710.aspx

Appendices/Attachments - two:
1. map of proposed extension to the Regional Park.
2. Responses to Scottish Parliament Finance Committee call for evidence.

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Craig McCorriston
Head of Planning and Economic Development
13 October 2015
Appendix 2

**PENTLAND HILLS REGIONAL PARK BOUNDARY BILL – CONSULTATION ON FINANCIAL MEMORANDUM**

Response to Questions Relating to Call for Evidence

**Question 1**

Did you take part in any consultation exercise preceding the Bill and, if so, did you comment on the financial assumptions made?

**Response**

West Lothian Council response was that a business case must be prepared to cover the additional management and staff costs. A strong business case is still required to be made for extending the regional park area, as there would undoubtedly be additional staff, management and facility costs associated with doing so. The business case is particularly important as, in the recent past, the park budget has been under threat through funding organisations, such as Scottish Natural Heritage (SNH), withdrawing support and local authority funders indicating that funding could be under pressure given wider efficiency requirements especially in relation to revenue budgets.

**Question 2**

If applicable, do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum

**Response**

The Financial Memorandum (FM) covers the principal issues raised in West Lothian Council’s response to the proposal.

Additionally, there is concerns over the sufficiency of the infrastructure costs contained in the FM. For example the council would question if one additional car park, as suggested, would be adequate given a doubling in size of the Regional Park. The existing park currently has more than six large car parks, associated toilet facilities and several other smaller car parks.

If one car park is not sufficient, it will be extremely difficult to promote the park to customers if facilities are not fit for purpose.

Moreover, it still appears that no strategic feasibility has been undertaken on the path network in order to establish that the path system is fit for purpose and a proper assessment undertaken of any additional costs to make necessary improvements to cope with a change of status & increased use.

It has been identified that this is a major issue within the existing regional park and the recent proposal to establish a Pentland Paths Project, sufficiently resourced with an officer able to raise funds and implement improvements via the Edinburgh & Lothians Greenspace Trust.

**Question 3**

Did you have sufficient time to contribute to the consultation exercise?
Response Yes, the original 12 week consultation period in 2014 on the initial park extension proposal was sufficient.

Question 4  If the Bill has any financial implications for your organisation, do you believe that they have been accurately reflected in the FM? If not, please provide details.

Response It is reiterated that here is no budget provision in West Lothian Council's approved financial strategy for any increased contributions towards an extended regional park.

There will be an initial impact on staff resource associated with the increased administration consequent on the boundary changes. There is concern that the various management, committee and consultative meetings, that have recently been reviewed to streamline and reduce meetings, but still present a demand on officers and members time, are likely to become yet more time consuming.

A further review of the number of meetings and attendees should be considered to make the process administratively efficient.

Question 5  Do you consider that the estimated costs and savings set out in the FM are reasonable and accurate?

Response It remains disappointing that as the FM states at Section 13 that “It has not been possible to establish overall figures for expenditure by Scottish Borders and South Lanarkshire Councils for those parts of the Pentland Hills that fall within their areas”. The estimates taken from Core Path returns of c£5k and £3k respectively are likely to be under estimates as they do not cover the wider / other path network in the proposed extension area.

As outlined in the response to Q2 above it is unclear to what extent any feasibility was undertaken regarding the infrastructure required. This would include car parking and the path system which will be the core facilities within the extended area of the regional park, but also protecting fragile areas such as upland beat bog.

For instance, at section 23, the costings refer to construction of one extra car park only. There is not an overall estimated cost and therefore this suggests the size has not been agreed. There is also no location for this proposed car park which further suggests no feasibility work has been undertaken and the assumption that “this be on land already owned by the local authority” (page 11 / Note 14) may not be possible. Further to this, it is not known if a private landowner would be agreeable to such a proposal and what they might wish for lease of the land that would have long term revenue implications.

Notwithstanding the foregoing, if it is intended there is only one extra car park to serve an area around twice the size of the existing regional park, albeit serving a smaller population, then unless there are already car parks located at the new key entry points there is a
risk of inadequate provision for the extended area for new visitors and therefore undermining the experience.

Alternatively, if only one car park is constructed through capital funds, there is a significant risk there will be future capital costs for car parking should the extended area become popular with visitors.

Similar issues relate to the path network and any major improvements that may be required in the future as well as the annual revenue maintenance costs related to paths signage / surface drainage as well as other maintenance issues such as path strimming and litter clearance that are likely to be expected by visitors in parts of the extended regional park.

While Section 28 of the FM refers to efficiency gains offsetting additional costs, it does not follow there will necessarily be economies of scale arising from individual projects and therefore it is very difficult to see how efficiencies will be made in order to justify this statement.

West Lothian Council continue to have significant concerns regarding the initial capital cost and future long term revenue costs for infrastructure. These should be addressed in the financial memorandum so the overall cost implications are better understood by all parties.

**Question 6**  
*If applicable, are you content that your organisation can meet any financial costs that it might incur as a result of the Bill? If not, how do you think these costs should be met?*

**Response**  
Given the 22km² extension that would be within the West Lothian Council area, the potential capital cost to the council should be reasonably low. However, the council has fully allocated its capital resources for the general services capital programme up to 2017/18, and as such could not meet any additional capital costs from existing capital budgets.

In addition, it is likely there will be a requirement for increased ranger staff resource both during the initial set-up period and as a consequence of increased administrative responsibilities with an enlarged park and more members and related issues arising. These costs could not be met from within existing council revenue budgets, and therefore it should be for the Bill to propose a funding mechanism for the delivery of the proposed extension that fully funds councils for the additional capital and revenue costs involved.

**Question 7**  
*Does the FM accurately reflect the margins of uncertainty associated with the Bill’s estimated costs and with the timescales over which they would be expected to arise?*

**Response**  
Margins of uncertainty could be improved by better understanding and / or explanation of the infrastructure costs that appear to be based on a desk study, rather than a strategic high-level feasibility study and /
or a general evaluation of the extended area.

There is a significant risk the overall set up costs could increase considerably without specific site evaluations.

**Question 8**  
*Do you believe that the FM reasonably captures any costs associated with the Bill? If not, which other costs might be incurred and by whom?*

**Response**  
While the FM reasonably captures most of the likely costs to some degree, there remains issues about infrastructure costs as raised above in Q7.

These other costs will then have to be met by the local authorities in whose areas the extended park falls within and this could have quite a disproportionate effect on some authorities, especially those who have not previously been involved in the regional park.

**Question 9**  
*Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?*

**Response**  
There is insufficient detail available at the moment for the council to comment meaningfully on this point. However, there would appear to be a significant risk of additional costs and these should be quantifies as a priority. Given current financial restrictions the council would require any impacts to be fully funded.