

GREENBELT GROUP LIMITED

CORPORATE HISTORY

1. In the early 90's strategic public sector groups representing planning, environmental and land interests identified the future need for new mechanisms for "common ownership" arrangements and long term land management solutions.

It was anticipated that issues related to the ownership and funding of brownfield legacy land, public sector vacant land and greenspaces associated with anticipated housing expansion plans, would put significant pressures on the public purse and public liabilities.

Long standing problems with vacant public sector and industrial land were viewed as contributing to negative economic, environmental and social aspirations of communities, primarily in the industrial central belt of Scotland. Greening the Urban Fringe initiatives in the early 1990's required vehicles to help delivery and, importantly, investment in these projects.

Land ownership was an increasing problem in terms of responsibility for liabilities and obligations such as planning, management and funding. This was increasingly evident in the long term obligations associated with open spaces in new developments where landscapes (soft and hard), play areas, woodlands (young and mature), drainage (suds and water features), works of art, access and lighting were all part of evolving requirements of sustainability in planning and development.

This led to a public sector initiative in the form of The Strathclyde Greenbelt Company in 1992.

Strathclyde Regional Council, Scottish Natural Heritage and Scottish Enterprise collaborated in 1992 to set up **The Strathclyde Greenbelt Company (Operations) Limited** (Reg. No. SC136536).

Each had one share in that Company and was represented on its Board.

The Company subsequently changed its name to **The Scottish Greenbelt Company Limited**.

2. That Company was set up simultaneously with the incorporation of **The Strathclyde Greenbelt Company** (Reg. No. SC136537). This organisation was limited by guarantee and obtained recognition as a charity. The organisation initially had the same membership and officers as The Strathclyde Greenbelt Company (Operations) Limited.

It changed its name in 1996 to **The Scottish Greenbelt Foundation**.

3. The demise of Strathclyde Regional Council in 1995 resulted in strategic planning being devolved to a number of smaller Local Authorities whose Planning teams were soon to take the view that the management of open spaces in new developments required new, secure and sustainable options. These included Local Authority adoption through payments of “commuted sums” by developers or the transfer of land into “common ownership” with residents. In both cases there were historic problems:

developers were reluctant to pay large sums of money which could not be secured against specific developments for long term maintenance obligations and Local Authorities were becoming increasingly reluctant to adopt land with long term obligations and liabilities unless there was a fit with their core policy objectives (access and environmental policies, for example).

Increasingly there were instances of “common ownership” arrangements breaking down, with factoring agents releasing themselves from the management arrangements because of non-payment by residents. Such situations were becoming a problem for Local Authorities in finding solutions when land was not in their ownership. The question of liability of commonly owned land was also in question when play areas or, more significantly, suds drainage management was not properly undertaken and insurance companies questioned the legitimacy of claims.

At this stage, based on feedback from and consultation with the planning and development industry, Greenbelt created a mechanism which provides developers with a secure arrangement based on single ownership, with sustainable funding through an obligation on each resident to contribute an equal and fair charge to the management and maintenance of the open spaces. Additional requirements included

the need to ensure planning obligations were fulfilled, that land contracts included pre-emption rights to the developer thus avoiding “ransom strip” scenarios, and a right of arbitration to provide the resident with a point of recourse.

These were developed into “tailored legal agreements” which provided for the interests of all parties to ensure secure long term management arrangements on new developments.

What was not available at this time was the opportunity to consult with residents. However, in late 2007 Greenbelt provided additional consumer choice options for customers on developments where alternative management arrangements could be considered.

- **Attachment: Greenbelt on Consumer Choice**

That has changed and Greenbelt today welcomes opportunities to listen to customers and to improve the way it delivers a high quality of land management service.

4. The Scottish Greenbelt Company Limited grew its business significantly across Scotland and the United Kingdom. Consequently, in 1999, following consultation with Scottish Natural Heritage and Scottish Enterprise, **The Greenbelt Group of Companies Limited** (Reg. No. SC192378) was set up and took over the business of The Scottish Greenbelt Company Limited.

This Company changed its name to its current name, **Greenbelt Group Limited**, in 2003.

5. In 1999 The Scottish Greenbelt Foundation set up and owned the English registered **The Greenbelt Foundation** (Reg. No. 03835178).
6. A requirement in the public sector consenting to the 1999 reorganisation was that The Greenbelt Foundation should be a shareholder in Greenbelt Group Limited and that the constitution of Greenbelt Group Limited, set out in its Articles of Association, that it would be a "Not for Profit" organisation and that the constitution could not be changed without the consent of The Greenbelt Foundation.

Representatives of the public sector remained involved in the management of The Scottish Greenbelt Foundation and The Greenbelt Foundation.

7. Representatives of the public sector remained on the Board of Directors of The Scottish Greenbelt Company Limited until 1998.

This Company has not traded since 1999 and application was made in 2007 to have it removed from the Register of Companies.

8. There has been no public sector representation in the management of Greenbelt Group Limited from the outset in 1999.

In summary, public sector involvement started in 1992 and was devolved to The Greenbelt Foundation in 1999.

9. Public sector funding was provided to The Strathclyde Greenbelt Company (Operations) Limited. No such funding was being given by 1999.

No public sector funding has been provided to Greenbelt Group Limited.

10. In 2004, Greenbelt Group Limited was trading well, but Management changes were effected that year, resulting in the withdrawal of some shareholders, including The Greenbelt Foundation. New Articles of Association were adopted to facilitate the injection of fresh capital into Greenbelt Group Limited by new management.
11. These arrangements remain in place.

12. Greenbelt works closely with many Local Authority Planning teams facilitating arrangements with developers. In 1999, the Department of Environment in Northern Ireland requested Greenbelt's involvement with the emerging development sector there.

This was funded entirely by Greenbelt, as were similar solutions in England requested by planners and developers. This move beyond the Scottish base, and the issue of liability, provided the comfort required by Scottish public sector owners that the company was fulfilling its original objectives of 1992. The Greenbelt Group of Companies Ltd was created with the transfer of ownership responsibility and liability to senior management at that time.

- 13.** Greenbelt In the last eight years, Greenbelt has secured some 20,000 residents in greenspace arrangements, with a further significant number contracted to engage over the next four years. The majority of current workload is in Scotland; Northern Ireland and England account for 20% of the workload. The average annual management charge is £100 (ex VAT), varying from £30 to £400 (ex VAT).

The charge provides for annual maintenance of landscapes, play areas, drainage and woodlands and annual inspections required under current European legislation. Additionally, it provides for Public Liability Insurance for all Greenbelt sites, the administration (including the collection of debt) of the service and customer care for all residents.

- 14.** The economic considerations can be summarised taking West Lothian as an example:

- Greenbelt provides this service to 1200 residents in West Lothian at £100 plus VAT.
- £80,000 is spent annually (in perpetuity) on maintenance and remedial works, which the alternative arrangements do not have to consider. (The committed sum payable to Local Authority, capitalised over a period of 10 years would amount to £800,000)
- Three contracting teams totalling 12 people carry out this work; three play area and suds drainage inspectors are commissioned for quarterly inspections.
- Greenbelt provides on-site staff through lands and customer care and back-office support in the management of billing and debt management.

- 15.** The company's service model is always open to improvement. Following recent customer complaints in West Lothian, Greenbelt has recognised the need for:

- Ensuring that residents' specific needs are identified and incorporated into annual maintenance and management programmes. Generally, these issues tend to be difficult to specify but can be included at little extra cost in terms of time, labour or cost.

- Improving communications between residents and Greenbelt through a more responsive and flexible approach to customer requests. This is being undertaken with external professional advice and includes new appointments, such as a community manager post to be filled in late August 2007.
 - **Example Case Study: Menstrie Mains Stirlingshire**
 - Improving customer feedback mechanisms to measure the value of service being provided.
- 16.** What can Greenbelt offer the planning and development industry, policy makers and customers in future?
- Direct help in achieving development industry objectives in meeting sustainability targets.
 - **Attachment: Greenbelt Group Response to Scottish Government Consultation: SPP3-Planning for Housing Review March 2008**
 - Direct help in achieving increased customer satisfaction and improving awareness of community aftercare in the home buying process.
 - **Attachment; Greenbelt Customer Care Charter**
 - Secure solutions for suds, drainage and renewable energy in new sustainable developments.
 - Comfort in providing data and reporting on important development features such as flood mitigation, particularly in considering insurance provision.
 - **Attachment: Third National Conference on Sustainable Drainage, Association of British Insurer's Guidance on Insurance Issues.**
 - Opportunities for research institutions, such as Abertay and business to work together through knowledge transfer, on suds, for example.
 - **Attachment: KTP on SuDS between Abertay University and Greenbelt Group.**

- Help Local Planning Authorities with design and build feedback when considering new planning applications.
- Wider homeowner recognition of the benefits of greenspace care in developments and a resource for addressing community issues such as anti social behaviour, encroachments or traffic calming
- Carbon accounting

17. Greenbelt has been involved in many successful community initiatives

- At Hallside Steelworks, 35 hectares of brownfield land leased to Greenbelt from Scottish Enterprise under a 99-year agreement, was planted with biomass coppice for renewable energy projects.
- Greenbelt has flexible maintenance arrangements for investment parks, including Eurocentral and Hamilton International Technology Park which require a regime which can be adjusted to suit the evolving needs of development sites.
- Greenbelt has undertaken the long-term management of Glenrothes New Town Woodlands through a 175 year lease with Woodland Trust. This has to accommodate the impact of heavy public use. The low value timber being harvested is a potential supply for a proposed biomass plant at Glenrothes.
- Greenbelt manages and owns a number of sites of ecological and historical value including SSSI's, a RAMSAR, Community Woodlands and Listed Buildings including Daldowie Doocot, all providing significant public benefit.

This Document has been prepared specifically for submission to the All Party Parliamentary Group on Land Management Companies of which Greenbelt attended on 20th May 2008.

It is signed by Directors of Greenbelt:

Alex Middleton

Richard Taylor

Attachments to support this document:

- Recently Introduced Consumer Choice provision for Homeowners
- Case Study: Menstrie Mains Stirlingshire
- SPP3 Consultation Document: Scottish Government
- Revised Customer Care Charter
- Association of British Insurers: Third National Conference on Sustainable Drainage
- Knowledge Transfer Partnership Project in Association with Abertay University