

CABINET MEMBER DECISION

Decision:

(i) Details of decision

PROCEDURAL MATTERS: PETITION

That the response attached at Appendix 1 be agreed.

(ii) Reasons for decision

To respond to the petition.

(iii) Details of any alternative options considered and rejected

None

(iv) Details of any consultation and representations received not included in the published report

Wendy Saunders presented an e-petition containing 478 signatures. She emphasised that the Norbury Park Sawmill was a vital resource that could help the county's future sustainability. She suggested that the sawmill could become a successful enterprise, with significant benefits to the local community. Possible options for its future could include the establishment of a co-operative or social enterprise. The manager of the sawmill was in the process of preparing a business plan and the petitioner encouraged all interested parties to read it, consider its content and assist in its further development. In addition, she urged the county council to work with all interested parties to organise a meeting to share expertise and skills to create a strong defined plan for the future of the sawmill.

The Local Member, Hazel Watson, addressed the meeting and spoke in support of the e-petition. Among other benefits, she emphasised the value of the educational work undertaken by the sawmill staff. She also expressed concern that it was currently difficult to pinpoint where to direct any funding to support the sawmill.

The Cabinet Member tabled a response to the petition and emphasised that the County Council was interested in finding the best possible solution for safeguarding the future of the sawmill.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded)

None

Dispensation

(Any dispensation granted by the Standards Committee in respect of any declared conflict of interest to be noted)

None

Decision taken by:

(i) **Name:** Lynne Hack

(ii) **Portfolio:** Environment

Date of Decision: 18 May 2011

Date of Publication of Record of Decision: 19 May 2011

Date decision effective (i.e. 5 days after date of publication of record of decision unless subject to call-in by the Environment and Transport Select Committee): 27 May 2011

CABINET MEMBER FOR ENVIRONMENT

RESPONSE TO PETITION STOP NORBURY PARK WOOD PRODUCTS FROM CLOSING

The Petition

'We the undersigned would like Surrey County Council and Surrey Wildlife Trust to put a hold on this [closure] to consider the full implications of closures and give due and fair consideration to the Management Buy Out proposal'.

The Response

Thank you for expressing your concerns for the future of Norbury Park Wood Products.

Norbury Park sawmill has been in operation since the 1970s. It currently employs 7 employees (6 full-time and 1 part-time). The sawmill trades as Norbury Park Wood Products (NPWP) and manufactures wooden outdoor furniture and other outdoor products such as signs and information boards. The sawmill forms part of Surrey County Council's Countryside Estate, which was leased to Surrey Wildlife Trust in 2002.

In February 2011, Surrey Wildlife Trust's Chief Executive wrote to the County Council advising that the Trust was unable to continue to provide financial support for the Norbury Park sawmill beyond the end of the financial year and it would therefore close on 31 March 2011. The letter cited the Charity Commission's rule that charities are not allowed to provide financial support for loss making businesses where there is little possibility that the business will recover and make a profit.

The Partnership Committee, which oversees the contract between Surrey County Council and Surrey Wildlife Trust, considered a report in October 2009, which recommended that the Trust use its best endeavours to make the sawmill profitable within 18 months and that the Partnership Committee would review the operation and profitability of the sawmill in September 2011. In view of this recommendation, the County Council has taken the view that full closure of the operation would be premature until the Partnership Committee had had a chance to review it. The County Council and the Trust have therefore agreed to keep the sawmill in operation until 30 September 2011 and to review the operation and the way forward during the intervening period.

Both the Trust and the County Council have invested substantial time and money to try to improve the profitability of the sawmill and the ongoing losses have been a longstanding cause for concern. NPWP made a loss of approximately £57,000 in 2010 (turnover of approximately £225,000); £69,000 in 2009 (turnover of approximately £185,000) and £146,000 in 2008 (turnover of approximately £145,000). Over the past four years, NPWP has not made a profit and has relied on financial support from the Trust, which as a registered charity will not ultimately be

allowed to continue this support. Concerns about the sawmill's financial performance and future are not new and date back to at least 2000.

As Charity Commission rules may prevent the Trust from providing any further financial support for the sawmill, if it cannot be brought to profit before the end of September 2011, the County Council would need to provide further funding to enable the operation to continue.

The County Council has responsibility for a wide range of functions and allocates its budgets to deliver these services. There is a rigorous budget setting process for determining its expenditure against strategic priorities. County Councillors have a difficult task in allocating the budget across a wide range of services and people have different views on priorities.

Dr Lynne Hack
Cabinet Member for Environment
18 May 2011