

## EXECUTIVE 26<sup>th</sup> August 2021

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| <b>Report Title</b>     | <b>Chester House Estate Programme and Business Plan Update</b>                     |
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| <b>Exec Director</b>    | <b>David Watts, Executive Director of Adults, Communities and Well-being</b>       |
| <b>Executive Member</b> | <b>Cllr Helen Howell, Executive Member for Sport, Leisure, Culture and Tourism</b> |

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| <b>Key Decision</b>  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>Is the decision eligible for call-in by Scrutiny?</b>   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>Are there public sector equality duty implications?</b>   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>              | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974</b> |   |

### List of Appendices

**Appendix A – Business Plan Presentation July 2021**

**Appendix B – Chester House refreshed Business Plan July 2021**

#### **1. Purpose of Report**

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- 1.1 The purpose of the report is to bring Executive Members up to date with the current progress of the Chester House Estate restoration programme and mobilisation of the refreshed business plan ahead of planned site opening to the public on 23rd October 2021.

#### **2. Executive Summary**

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- 2.1 The main programme is well underway at the Chester House Estate with Phase 1 (Northamptonshire Archaeological Archiving Centre (ARC)) now fully operational with archives from around the county and country moving into the

centre. It is hoped the ARC will be assessable to the public including local schools, colleges, and universities later this summer.

- 2.2** With the ARC operational, for 2 weeks in June 2021 the site hosted a large archaeological dig for local volunteers and students. The wider volunteer programme for the estate and facility management has also begun. Phase 2 including the education centre, wedding and events barn, artisan shopping village and main car park is currently forecast for handover on 2<sup>nd</sup> August 2021. Phase 3, the main farmhouse, due to be a future bed and breakfast accommodation and restaurant and meeting facility, is on programme for handover on the 3<sup>rd</sup> October 2021.
- 2.3** Additional capital works projects including the River Nene Mooring and Natural England Stewardship Scheme have now successfully been completed. Other supporting projects including the two bridge replacements, Claudius Way car park extension, outdoor children's play area and site footpath are progressing well with Historic England and local planning authorities. We are currently on programme for these to be completed with the wider programme this October.
- 2.4** The Chester House Leadership team has been recruited, with the Visitor Operations Manager and Education Officer appointed and in place. The Catering and Retail Manager is due to join during the summer 2021.
- 2.5** The Chester House 5 year Business Plan is refreshed regularly, most recently in mid July 2021. The refreshed Plan is introduced and appended in this report at Appendix B.
- 2.6** Several external and additional funding sources have also been obtained and approval to spend these, totalling £186,580, is contained in the Capital Budget report before the Executive today, to support the successful phase 3 completion and future business set up. These include **£90,000** from Public Health for a children's outdoor play area; **£7,980** from Nenescape Partnership Scheme to replace a non-compliant staircase; **£50,000** from S106 Stanton Cross Development towards the 'development of the Chester House Estate project'; £38,600 from Public Health to cover design expenditure as part of the feasibility study for a Public Health Wellbeing Centre on site.

### **3. Recommendations**

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- 3.1** It is recommended that the Executive:
  - a) Notes the positive progress to date with the Chester House Estate Capital Works programme and future business development.
  - b) Endorses the refreshed Business Plan July 2021 attached at Appendix B and will receive regular updates on progress against that business plan.

### **3.2 Reason for Recommendation:**

To mobilise the refreshed Chester House Estate restoration business plan ahead of planned site opening to the public on 23rd October 2021.

## **4. Report Background**

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- 4.1** The Chester House Estate is a nationally important 35-hectare Scheduled Monument, with a complex of listed farm buildings at its centre, owned by the Council (originally Northamptonshire County Council (NCC)) since 2002. It sits just south-east of Wellingborough, in the Nene Valley and opposite a site of special scientific interest (SSSI). The Council has a statutory responsibility to preserve and maintain the site's heritage. Support of £3.97m was secured from the National Lottery Heritage Fund (NLHF - formerly the Heritage Lottery Fund) in 2013. This enabled the Authority to embark on an ambitious project to develop the site.
- 4.2** The Council's commitment is to secure the long-term sustainability of the site by creating both a visitor destination and a commercial offer. The business case presented to NCC Cabinet in December 2019 was based on the development of the site on a 'mixed use' basis with certain buildings and activities providing core income generation that will support the site's operational costs, as well as delivering the heritage, education and community engagement offer necessary to meet the funding requirements of NLHF.
- 4.3** NCC Cabinet agreed in December 2019 to support a further capital investment of £1.374m following a comprehensive options appraisal. Cabinet also agreed to delegate authority to the Executive Director of Finance, in consultation with the NCC Deputy Leader (former portfolio holder for Chester Farm) to progress with the procurement of a new contractor to complete the construction.
- 4.4** The new tender process was delayed due to Covid in the Spring of 2020. This delay coincided with the appointment of a Business Development Manager and afforded him the opportunity to review and refresh the Business Plan again. This enabled us to ensure that the planned capital programme as set out in the Pre-Tender Estimate, provided the best opportunity possible to sweat the physical assets and deliver a sustainable business model for Chester House Estate.
- 4.5** NCC Cabinet and the two Shadow Executives for the new Unitary Authorities endorsed the revised Business Plan in November 2020 along with the proposal to uplift the capital budget by £850k for the bond funding, which will be realised upon completion of the capital programme and of £722k additional

DCMS Covid-19 Kickstart funding awarded by NLHF, to complete the capital works in 2021.

- 4.6** Following a successful tender period, in December 2020 Powells Ltd were awarded the main building restoration project contract at £4.07m. Works started on the 20<sup>th</sup> January 2021 and the project is currently on target to be complete and open to the public by the end of October 2021.

## **5. Overall Project Progress**

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- 5.1** The Northamptonshire Archaeological Archiving Centre, the 2<sup>nd</sup> largest in the UK, is now fully operational with archives from around the county and country being moved into the centre. It is hoped the ARC will be assessable to the public including local schools, colleges, and universities later in the summer. With the ARC operational, during June 2021 the site hosted a large archeological dig for local volunteers and students. Our first community-led archaeological dig involved many volunteers from the local community, university and college students, interest groups and local primary schools. This programme has so far been a real success and we are now in the process of planning future digs for later this year and into 2022. We are working with the University of Leicester and University College London to develop a research proposal with Historic England in the hope we can start to dig within the walls of the Roman town in 2022.
- 5.2** We are currently in talks with both the Museum of London Archaeology (MOLA) and HS2 regarding storage of their archives in the centre, that would have a large benefit to our future revenue income, which is reflected in income projections for the ARC in the early years of the Business Plan.
- 5.3** The Education Centre, due for completion this summer, will include 3 large classrooms, a volunteering hub, staff offices and museum. The museum, which will present the full 10,000-year history at the Chester House Estate, has now been fully designed by the team and the University of Leicester Archaeological and Heritage Department and is currently out to tender through our external interpretation project management team (Simon Leach Design). The Museum is on programme to be delivered by the October Half Term opening week. The Education Officer, who will lead on the development of the overall KS1-KS3 programme is now in post; Natasha Riley joins the Chester House Team from Bletchley Park and Northampton Museum. The education department has also now confirmed partnerships with the University of Leicester and Moulton College.
- 5.4** The Chester House volunteering programme has now started on site with over 200 volunteers signed up and working with our Facilities Management and Archive Programmes. The Estate has partnered with The Nenescape River Partnership who are now managing the administration including the GDPR,

recruitment and retention of volunteers on behalf of the Estate. Nenescape will be moving onto site this October into a small office at the rear of the site. As part of the partnership, Nenescape have already gifted the programme over £3,000 towards laptops and technology for the Archive Centre, covered the costs for a replacement staircase in the building they will occupy, and have paid for the contents of the Volunteering Hub including all chairs, tables and the future equipment needed.

- 5.5** The project has teamed up with The Creating Tomorrow Multi Academy Trust, who will deliver training opportunities for students aged 16-24 and work experience within the main visitor attraction including the café, events venue, and education department to develop their skills, experience, and confidence in the workplace. The Trust has agreed a 2-year lease for a large classroom in the Education Centre as a permanent base for their students and a 2-year lease for a retail unit for their students to manage, develop and run the Chester House Estate Farm Shop. The Trust has also purchased a Chester House Estate branded minibus to transport both their students and volunteers as part of the partnership.
- 5.6** Back in February 2021, the project successfully rebranded from 'NCC Chester Farm' to the 'Chester House Estate'. With the rebrand came an internal website, staff uniforms, site signage, new social media platforms and a launch documentary which has been viewed over 70,000 times on YouTube and social media. It is important that as a tourist and events destination Chester House has its own distinct brand, but its core funders and stakeholders are prominent in all publicity including NNC, WNC, NLHF and Historic England. Press engagement has also been very positive with the team hosting the Northants Telegraph, Northants Live, BBC Northamptonshire on site for tours.
- 5.7** A children's outdoor play area design has now been agreed with Historic England and will shortly be submitted for local authority planning approval. The play area is based on a mini roman town and will be free to enter. Located next to the café, it is hoped the play area will increase dwell time on site and have a positive impact on catering and retail spend per head. The play area will be complete October 2021.
- 5.8** In May 2021 the Natural England Stewardship capital works programme was completed. Originally due to be a 3-year scheme, the project was completed in the space of 6 months with over 3000m of re-fencing works, scrub clearance, new vehicle and pedestrian gates and general land restoration. The wider estate is now safe, well presented, and ready to open in the autumn.
- 5.9** Working with The Nenescape River Partnership and the Environmental Agency, the £500,000 river mooring was completed in March 2021. The mooring is now accessible to boat users. The estate has developed a

relationship with Canoe2 (based at Rushden Lakes) with users being able to hire from both locations and explore the Nene Valley.

- 5.10** The Greenway Link is a programme to develop a series of safer walking and cycling routes across the district. The overall aspiration is to create a linear or 'spinal' route through the Nene Valley, linking Peterborough and Northampton railway stations and connecting with villages and sites of importance including Chester House Estate. The link which is a footpath and cycleway will provide access to and from Chester House Estate to Rushden Lakes who receive 6 million + visitors per year, Stanwick Lakes and onto Wellingborough (population of 80,000). NNC will be responsible for the upkeep and maintenance of the footpath at Chester House Estate following the project. The footpath is currently progressing well and is due to be in place by the end of 2022.
- 5.11** A Visitor Operations Manager has joined the team at Chester House who will oversee the development of weddings, conferencing, and special events. It is hoped wedding bookings will go live this summer for 2022, with the wedding and events venue being completed and handed over in August 2021. A 12-month events plan has now been developed to include Outdoor Theatre, Cinema, Food and Craft markets and Historical Re-enactments.
- 5.12** The Artisan Shopping Courtyard has two shop units remaining to be let, with a local cider shop (Saxby's), Farm Shop, Book Shop and Gift Shop currently reserved. The Artisan Shopping Courtyard is due to open to the public this autumn.
- 5.13** Both kitchen spaces on site in the Threshing Barn and main Farm House, have now been fully designed and costed. The Catering Manager has been appointed and is due to start post in July or August. An outdoor catering vehicle with a wood fired pizza oven, ice cream freezer and drinks fridge has been purchased and delivered.
- 5.14** We have installed an electronic point of sale till system site-wide that also integrates with online ticket sales directly from the website. The till system, specifically designed for visitor attractions, allows for gift aid payments, donations, ticket sales, stock management and key financial reporting so that we can maintain robust oversight of performance against business plan and financial targets.
- 5.15** The Estate has run 6-month internship placements for 8 students that started in January 2021. These internship placements have allowed students to gain relevant skills and experience and build their confidence in such areas as social media, marketing, wedding development, catering development, education, and interpretation. This will continue throughout 2021 and beyond.

5.16 A visual representation of business mobilisation can be found at Appendix A.

## 6. Business Plan

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6.1 Our Vision for the Chester House Estate is:

- **Connecting** the people of Northamptonshire to their 10,000 year story
- Having the **community** at the heart of all we do
- Delivering a pioneering and diverse education programme, **accessible** for all ages
- Offering a free to enter estate, for **everyone**
- Being financially **sustainable** with an innovative commercial offering
- Establishing, promoting and growing **local** businesses, produce and tourism
- Caring for and **preserving** our natural and historical landscape
- Improving the **wellbeing** of local residents
- Preserving the publicly accessible **archaeological** archives

6.2 We will do this through developing:

- A recognisable brand
- A comprehensive volunteering programme with all areas of the organisation
- Key education programmes in heritage, archaeology, business, tourism and land management
- Work experience placements and paid job opportunities
- Tourism partnerships with local destinations and Destination Management Organisations (DMO's)
- Commercial partnerships
- Locally sourced produce
- Monthly and weekly events and programming
- Wider estate accessibility plan including moorings, bridges, water taxi and the Greenway Link
- Interpretation programme highlighting 10,000 years of Northamptonshire history
- A free to enter green space and recreational activities including outdoor play.

6.3 The Business Plan is refreshed regularly and most recently in mid-July 2021. The Shadow Executives last endorsed the Business Plan in November 2020, so ahead of site completion and opening in October 2021, the latest Plan is presented to NNC Executive for information and endorsement.

- 6.4** The revised 5 year Profit and Loss forecast (P&L) resulting from the refresh of the business plan is in the Chester House Estate Business Plan at Appendix B. As in the business plan of November 2020 the site is expected to start making a profit in year 2 (2022-3), but under the new plan the margins are greater, projected at circa £140,000 surplus rather than £70,000.
- 6.5** The projections in the Business Plan are conservative to ensure they can be fully achieved within the first financial year. An example of this is the Estate's main income line, catering. It is currently budgeted at £2.00 spend per visitor; the industry average for a visitor attraction's catering offer is £6.50 spend per head. £0.50 per head has also been budgeted within the Estate's retail offering, when £2.20 is industry standard. Visitor numbers have also been forecast on the lower side, to ensure targets will be achieved, factoring in the uncertainties Covid-19 can bring. It is forecast 133,000 visitors will visit Chester House Estate within the first full trading year, this is compared to similar attractions of Sacrewell Heritage Park, Peterborough (250,000 visitors per year), The Cotswold Farm Park, The Cotswolds (450,000 visitors per year) and Wimpole Park NT (650,000 visitors per year). Some of these are pay to enter whereas Chester House is a free to enter site, which means it will attract more first time and repeat footfall.
- 6.6** Income and footfall projections will be updated at least monthly once the site is open and the Business Plan will remain a live document.
- 6.7** The Executive will note that the projected loss for 2021-22 remains, due to the site not opening until half-way through the financial year. These losses are accounted for in revenue budget monitoring. The intention is to direct future surpluses made by the Estate into a smoothing reserve which will enable Chester House to repay the Council for the year one loss; and then continue to develop reserves which will enable future investment into the business and site as it develops to ensure it remains commercially sustainable.
- 6.8** The Executive will also note that the NNC revenue contribution to the Chester House business reduces after year five as the intention is that by then the business will be fully sustainable. A core revenue contribution will remain in place to pay for the core education and heritage functions which are delivered on behalf of WNC as well as NNC. The exact amount of core funding required is yet to be determined but it will be less than the current revenue budget for Chester House.
- 6.9** The high-level Business Plan financial and footfall forecasts are shown below. These figures are extracted from the more detailed 5 year P&L in Appendix B.



## **7. Implications (including financial implications)**

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### **7.1 Resources and Financial Forecast**

7.1.1 As of 1<sup>st</sup> August 2021 the projection for the current financial year through to capital programme completion is a forecast spend of **£4,186, 645** with a remaining contingency within the approved capital budget of **£202,189**.

7.1.2 The capital programme is therefore projected to complete on time and within budget.

7.1.3 The Business Plan is set out in Appendix A and B and covers the 6 year period 2021/22 - 2026/27.

### **7.2 Legal**

7.2.1 No implications identified.

### **7.3 Risk**

7.3.1 There is a risk footfall actual will not meet projections. However, they are conservative e.g compared to similar attractions of Sacrewell Heritage Park, Peterborough (250,000 visitors per year), The Cotswold Farm Park, The Cotswolds (450,000 visitors per year) and Wimpole Park NT (650,000 visitors per year)

### **7.4 Consultation**

7.4.1 There is regular dialogue with the National Lottery Heritage Fund (NLHF) as the main partner funding body, who sits on the Project Board. The initial funding period for the project expired in July 2019. NCC applied for an extension to July 2021 and was granted one until October 2021. The NLHF funding contribution includes outputs agreed with them laid out in the Business Plan, around the development of brand (website, socials, marketing and PR, staff uniforms), staff recruitment, salaried roles including the ARC Curator and Education Officer, the outreach vehicle, till systems, donation systems, internal fixtures and fittings for the ARC and Education Centre and volunteering fees. The activity/business set up must run alongside the restoration project to deliver a successful business, education facility and ARC once the site is complete in October 2021. NLHF are evaluating us on this. An Evaluation and Monitoring Officer has been contracted to monitor the progress of the Business Manager throughout 2021 and into 2022 until 6 months after site opening.

7.4.2 The Leader of the Council and the Portfolio Holder for Leisure, Culture, Tourism and Libraries have been consulted.

## **7.5 Consideration by Scrutiny**

7.5.1 NNC Scrutiny Committee held a session dedicated to Chester Farm following the Cabinet report in December 2019.

7.5.2 This report will be considered by the relevant Executive Advisory Panel.

## **7.6 Climate Impact**

7.6.1 The whole scheme has been through the Planning Process. This includes consultation with statutory partners including Natural England, Historic England Environment Agency and Highways Agency. The whole flood and drainage scheme for the site was designed to have minimal environmental impact by the use of a klargester, for example. There are some solar panels on some of the buildings though the extent of this was constrained by the nature of the historic buildings.

7.6.2 There will be future opportunities to consider retrofit of new and greener technology that was not able to be considered during initial designs which date up to six years ago.

## **7.7 Community Impact**

7.7.1 Our vision and varied businesses which make up the Chester House Estate all contribute to outcomes which add social, community and economic value, whether they be education, heritage, volunteering, employment or health and wellbeing opportunities.

## **8. Background Papers**

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8.1.1 [Report to North Northamptonshire Shadow Executive, 26 November 2020](#)  
(Item 9 refers)