

## EXECUTIVE

### 14<sup>th</sup> April 2022

<b>Report Title</b>	<b>Chester House Estate Update and Refreshed Business Plan 2022-2026</b>
<b>Report Author</b>	David Watts, Executive Director of Adults, Communities and Wellbeing
<b>Lead Member</b>	Cllr Helen Howell – Executive Member for Sport, Leisure, Culture and Tourism

<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 – Summary Presentation

#### 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 performance of the Chester House Estate since its opening in October 2021, including the projected year-end financial outturn, and to present a revised Business Plan for 2022-23 onwards based on current performance and the new programme of events for the forthcoming year.

#### 2. Executive Summary

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- 2.1 Since it opened to the public on 24<sup>th</sup> October 2021 the Chester House Estate has delivered some notable achievements across the themes of brand, marketing and social media; facilities and estate management, learning and volunteering, the Archaeological Archive, successful events and the promotion of the wider tourism offer for North Northamptonshire, as well as performing well against our income generation offer and targets. These achievements are outlined in this report.

- 2.2 Prior to opening, the previous Business Plan approved by the NNC Executive in August 2021 forecast a first-year operating loss of -£114,600, with the plan to fund through reserves and replenish these reserves in the next two to three years. The forecast outturn for 2021-22 now shows a surplus of £25,741 and so no call on reserves is required.
- 2.3 Following the opening period, the Business Plan has been revised, taking into account new data and visitor feedback. Due to the financial success of certain commercial departments, the Estate has increased projected income for future financial years. The actual running costs of the site in terms of utilities, casual staffing and operational costs are now more established and have been factored into the new plan.
- 2.4 A change to the current resourcing arrangements is proposed as part of the refreshed Business Plan to reflect the fact that the greater the offer and the more events on site, more staff are required to deliver it successfully so that the Estate continues to build on the excellent reputation it has already built and continues to attract return and new visitors so as to continue to develop financially sustainability for the future.
- 2.5 A new events programme has already been launched from March 2022 onwards and this, alongside of other new planned activity to enhance the site and its offer, are covered in this report.
- 2.6 The Executive is asked to approve the refreshed Business Plan

### **3. Recommendations**

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- 3.1 It is recommended that the Executive:
- a) Notes the achievements of the Chester House Estate since its opening and the planned events, activities and opportunities for 2022-23 and the coming years.
  - b) Approves the refreshed Business Plan attached at Appendix A
  - c) Delegates authority to the Executive Member for Leisure, Sport, Culture and Tourism, in conjunction with the Executive Director for Adults, Communities and Wellbeing, to take the actions necessary to ensure successful delivery of the Business Plan.
- 3.2 Reasons for Recommendations: Approval for these recommendations will allow for officers:
- To ensure that the Executive are able to strategically manage Chester House Estate and that Chester House Estate is resourced to ensure successful delivery of the Chester House Business Plan
- 3.3 Alternative Options Considered: The Chester House Business Plan is a live document as projections and activity planning is refreshed on a regular basis. However, the Executive has previously requested that when the Business Plan

is formally revised to correspond with the start of a financial year that it is brought before the Executive for approval. If the Estate is not resourced appropriately then there could be a detrimental effect on service delivery.

#### 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 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 Plan presented to NNC Executive in August 2021 was based on the development of the site on a 'mixed use' basis with certain buildings and activities providing core income generation that 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 The Council's 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
- 4.4 The Council is doing 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.
- 4.5 Following a successful tender period, in December 2020 Powells Ltd were awarded the main building restoration project contract at £4.07m. Works started on 20<sup>th</sup> January 2021 and the capital programme was successfully completed, subject to some ongoing minor snagging works, in readiness for the opening weekend held on 23<sup>rd</sup> October 2021.
- 4.6 Given the site opened part way through the financial year the financial projections in the previous Business Plan were for a loss of £114,600 in the first year, which would be covered by a smoothing reserve. Any losses are accounted for in revenue budget monitoring. The intention was to direct future surpluses made by the Estate into a smoothing reserve which will enable Chester House to repay the Council any 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.
- 4.7 The Chester House Estate opened in October 2021 and has had a successful opening period, performing better than expected in many areas.

## **5. Issues and Choices**

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### **5.1 Notable Achievements**

#### **5.1.1 Brand, website and social media platforms:**

- Launch Documentary published in October 2021 seen over 18,500 times
- Facebook Live tours well engaged with over 2000 views each time (October to December 2021)
- Facebook reviews (100 received) are 4.9/5 stars
- Creating Tomorrow Trust student engagement with running social media channels
- 7 outreach events for engagement including local rotary clubs and U3A

#### **5.1.2 Footfall**

- Between the opening weekend and the end of January 2022 estimated visitor numbers to site are over 40,000 and projected to be over 50,000 by the end of March 2022 This is based on cars registered for the car parks, with an average of 3 visitors per car. The Estate is not yet able to measure pedestrian access as there are numerous entrance points to the site. Options are being explored to make the visitor count more robust in the future.

### **5.1.3 Facilities, Estate and Maintenance**

- New casual roles and volunteering roles have been created to form the Estate and Facilities team. 80% of the team is made up of voluntary roles.
- An iPhone APP has been developed to improve prioritisation of jobs and management. This is working extremely well to date.
- Major tree works have taken place to clear much of the dead wood from trees across the site.
- Memorial benches were launched in January 2022

### **5.1.4 Learning, Archaeological Resource Centre (ARC) and Volunteering**

- A grant application for £116,000 to Historic England has been successful to enable the ARC to receive a large archive delivery over the next 12 months, including one of the largest archaeological archives in the UK found at Stanwick Lakes. The funding will support the Curator's role, the potential to recruitment assistant curator and provide new and upgraded shelving, tools and equipment. There is also funding for outreach work such as additional museum space within the learning centre on site and increased engagement with local museums and heritage sites.
- Over 20,000 boxes of archives have been successfully moved to the ARC
- Schools are starting to become engaged with visits on site
- Weekly learning workshops have been delivered to the community
- 47 Adult Learning workshops carried out on site

### **5.1.5 Income Generation**

- A new menu was launched in the Farmhouse Café in late December following a challenging and busy opening few weeks with difficulties recruiting and retaining experienced chefs. Roast dinners are on the menu each Sunday and are proving very popular.
- 24 wedding deposits collected
- Bed and Breakfast now launched with £12k in bookings taken in the first week. The accommodation is fully booked for every weekend through to the end of October 2022.
- Conferences are taking place across site each day. Large bookings are being received.
- Exclusive hire for 2500 people (£30 per head) received for September 2022
- Further development of Farmyard shopping offer with all farmyard tenants have now extended contracts for an additional 12 months.
- Events have been very successful, particularly the Pumpkin Patch and Christmas Grotto which generated over £20,000 profit and the lambing event which is on track to achieve over £35,000.

5.1.5.1 Total projected loss for 21/22 financial year in the Business Plan August 2021 was -£114,600 and is now +£25,741.

- 5.1.5.2 Total projected income to year end is £82k less than forecast. However, this is offset by cost management. Total projected expenditure is £220k less than budgeted / forecast.
- 5.1.5.3 The packages for weddings, conferencing and accommodation were delayed in launching. This was due to an initial focus on mobilising the events and the retail offer; and alongside some Covid-19 cancellations experienced as a result of Omicron in later December, these have caused the forecasted -£82k income projection. However, this is more than offset through cost management.
- 5.1.5.4 Expenditure is lower than forecast due to the number of volunteers/interns used instead of casual staffing. Volunteers play a huge role on site and are a key part of the activity plan outcomes required by the NHLF.
- 5.1.5.5 So far Chester House has received £172k committed income for the next financial year (deposits already paid), following the launch of the Spring lambing event, weddings, private hires and conferencing. The Estate has already met its spaces and wedding targets for the next financial year.
- 5.1.5.6 Total income received now stands at £150,787 (excluding council revenue budget contributions for the service). This is a huge achievement considering Covid-19, recruitment issues and an opening period over the winter which is traditionally the quieter time for visitor destinations.

## 5.2 Events Programme 2022-23

- **March-April** - Easter Egg Hunt and Lambing
- **May** - Dinosaur and Fossil Weeks, Queens Jubilee
- **June – Queens Jubilee** / Archaeological Digs and Heritage Weekend in conjunction with Stanwick Lakes and Rushden Lakes
- **July – Sept** Outdoor Cinemas, Outdoor Music events and Theatre productions,
- **July** Grand Opening event
- **August** - Woof Festival, Festivals, Food Fairs
- **September** - Harvest Festivals, Pop Up Art Gallery
- **October** - Pumpkins and Scare festival
- **November-December** - Light shows, ice skating and Father Christmas

- 5.2 1 A new “What’s On” section has been added to the website (<https://chesterhouseestate.org/events/upcoming-events/>)

## 5.3 Other Future Plans and Opportunities

- Launch of Tik-Tok platform and engagement (younger audience)
- Online lessons and virtual visits via the website
- 'What’s in the box' ARC engagement to start in Feb 2022
- Online wedding and B&B virtual tours
- Create a compost area within the Orchard
- Create a large chicken pen for the main site
- Continue to develop footpaths through the woodland areas

- Final Natural England Stewardship works including fencing around the Floodplain
- Create a private garden area for the B&B
- Restaurant to open on selected evenings (started Valentine's weekend)
- Christmas parties to take place in the barn over the Winter period
- Take away pizzas and afternoon tea packages to start in the Spring
- Online retail offering including selections from tenants
- Fresh milk machine
- Ice cream bike to launch
- Take possession of Daventry and West Northants archives
- Completion of an options appraisal for the future use of Building 17 which is currently empty
- Develop proposals and funding bids for the greenhouse restoration Project
- Implement A45 Directional Signage with Highways
- Upgrade the Claudius Way entrance sign
- Delivery of the Landscape interpretation programme
- Develop proposals for the Facilities accommodation (long term option)
- History Garden Interpretation
- Greenway Link Footpath as part of the next phase of the Greenway project

5.3.1 The site will no longer be open to the public on Mondays throughout the year, with the exception of school holidays and Bank Holidays. The facilities team will be on site and the Creating Tomorrow's college will operate, but in line with our concessions which already close on a Monday, the café and main gift shop will close, and no conferencing or events will be offered. This is to allow the Chester House staff to have a regular day off each week to support staff wellbeing and resilience. The core team remains a small one and operating 7 days a week often from 7am to 10pm to account for set up and take down times for events, it has proven difficult for the team to get the two days per week off they are entitled to, and staff resilience has begun to suffer.

5.3.2 The income lost through Monday closures will be more than compensated for the expansion of the offer on other evenings and weekends.

#### **5.4 Refreshed Business Plan and Staffing Structure**

5.4.1 Following the opening period the Business Plan has been revised, taking into account new data and visitor feedback. Due to the financial success of certain commercial departments, the Estate has increased projected income for future financial years. The real running costs of the site in terms of utilities, casual staffing and operational costs are now more established and have been factored into the new plan.

5.4.2 The refreshed income projections include the catering offering (now budgeting circa £1000 per day, compared to £600 previously), 30% increase in accommodation occupancy and 40% additional income through the events and programming offer which has proved very popular in opening months and through high levels of future bookings already secured.

5.4.3 A revised staffing structure is proposed to be implemented by the relevant service to support delivery of the refreshed Business Plan. This reflects the fact that the greater the offer and the more events on site, more staff are required to deliver them successfully. This is so that the Estate continues to build on the excellent reputation it has already acquired and continues to attract return and new visitors so as to continue to develop financial sustainability for the future.

5.4.4 The main changes proposed to be implemented are:

- the introduction of Business Operations Manager. The current Operations Manager will move to commercial activities only as the Commercial Operations Manager
- the introduction of Events Assistant to support the Commercial Operations Manager
- Business Development Intern to move to Business, Retail and Finance Assistant role following completion of Nenescape funded Internship
- The introduction of Volunteer Officer (Funded via Nenescape) 3-5 days per week dependant on funding.

5.4.5 These staffing proposals are all accounted for within the financial projections in the refreshed Business Plan and resourcing requirements (within the approved budget) will be continually managed by officers to ensure that the Business Plan outcomes approved by the Executive can be implemented.

5.4.6 The Executive will also note that the NNC revenue contribution to the Chester House business will still reduce after year five as the intention is that by then the business will be fully sustainable. This includes the commercial elements of the site supporting the ARC. This projection is subject to ongoing successful delivery of the Business Plan.

5.4.7 The financial and footfall comparisons between the previous and refreshed business plans are shown below. Given the fast pace of the business development, performance against projections is updated monthly, but the P&L will be fully updated on an annual basis.

## **6 Next Steps**

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6.1 Implement a staffing structure as outlined within the report to ensure that Chester House Estate is appropriately resourced to deliver the refreshed Business Plan.

6.2 Complete an options appraisal for the currently unused Building 17.

6.3 Continue to monitor progress against the new business plan at least monthly.

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## 7 Implications (including financial implications)

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### 7.1 Resources and Financial

7.1.1 The financial projections contained within the previous and the refreshed business plans are shown here:

	Forecasted	Budgeted
<b>Budgeted Day Visits to Building Complex</b>	<b>51670</b>	66000
<b>Income</b>	<b>£ (230,787.00)</b>	£ 313,300.00
<b>Expenditure (Inc Salaries)</b>	<b>£ 503,290.00</b>	£ 726,144.00

<b>Total Business Plan Income</b>	£ (230,787.00)
<b>Council (North and West Contributions)</b>	£ (298,224.00)

<b>Total Business Plan Expenditure</b>	£ 503,290.00
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	Forecast 21/22	Previous BP
<b>Total Forecast Profit/Loss</b>	<b>£ (25,741.00)</b>	£ 114,600.00

### 7.2 Legal and Governance

7.2.1 The business plan, as it is refreshed annually, will be brought before the Executive at least annually in March.

7.2.2 It is an Executive function to agree the Business Plan and the strategic direction of the Chester House Estate and agree that additional resourcing should be implemented to allow delivery of agreed outcomes but staffing matters are not an Executive function and should therefore be implemented by the relevant service.

### 7.3 Relevant Policies and Plans

7.3.1 Chester House's objectives align with the priorities within NNC's emerging corporate plan supporting the following objectives:

**Active, fulfilled lives:**

Value and support our carers and volunteers

Improve the accessibility and use of leisure, culture and sport

**Better, brighter futures:**

Promote better training, further education and employment opportunities for young people

**Safe and thriving places:**

Strengthen the cultural identity of towns, villages and rural communities  
Help town centres and villages respond to changing trends  
Attract tourism, visitors and inward investment  
Support the creation of high-quality, better skilled jobs

**Connected communities:**

Respect and engage our local communities  
Empower a thriving voluntary and community sector

**Modern public services:**

Provide good quality and efficient services valued by our customers  
Enhance the services provided at our community hubs  
Use our assets, skills, knowledge and technology to make a real difference

**7.4 Risk**

- 7.4.1 As part of the long term NLHF agreement there is a circa £580.5k commitment by NNC to spend on the Chester House Estate activity plan. This includes spending money on items with a wellbeing, community or learning focus (not all income generating. These costs and plans have been factored into the overall business plan over our opening 5 years. The final closure of the NLHF including final pay-outs cannot be made until the project evaluation has been completed and overseen the completion of the activity plan. There is still circa £1.4m to be paid from the National Lottery Heritage Fund.
- 7.4.2 It is key the Council deliver the agreed Activity Plan (revenue) as this is a flagship project for the National Lottery Heritage Fund and NNC has worked hard to rebuild a positive reputation with them over the past 2 years. Failure to meet our agreed outcomes of the project would put future collaboration and funding at risk with additional NNC projects.
- 7.4.3 The activity plan includes school learning programmes, archaeological community digs, non-commercial events (heritage festivals etc), support for funding key roles including the Learning Officer and ARC Officer, outreach work and site interpretation.
- 7.4.5 Failure to recruit a suitable Operations Business Manager will make completion and effective delivery of the new business plan challenging.

**7.5 Consultation**

- 7.5.1 There is ongoing dialogue with NHLF as the key funder. An Evaluation and Monitoring Officer has been contracted to monitor the progress of the site Business Manager throughout 2021 and into 2022 until 6 months after site opening. The evaluation has included speaking with many stakeholders involved on both the capital programme and the business operation since opening. It is due to report by the end of April 2022.

- 7.5.2 A comprehensive mechanism for capturing customer feedback is in place with frequent in person visitor surveys being carried out, Facebook and google reviews being reviewed by the Business Manager on a weekly basis. The estate is currently averaging 4.9/5 on Facebook (120 reviews) and 4.4/5 on Google (170 reviews).

## **7.6 Consideration by Scrutiny**

- 7.6.1 This report has not been considered by Scrutiny, but the financial projections  
7.6.2 for 2021-22 as of the third week of January 2022 were scrutinised by Finance and Resources Scrutiny Committee on 01 February 2022

## **7.7 Consideration by Executive Advisory Panel**

- 7.7.1 The refreshed business plan was presented to the Service Delivery, performance and Customers Executive Advisory Panel on March 21<sup>st</sup> 2022, where the recommendations were fully supported.

## **7.8 Equality Implications**

- 7.8.1 There are opportunities for positive impacts on the local community from the whole estate including the local economy through employment and supply chains and social and environmental impacts through encouraging more visitors to Chester House.
- 7.8.2 The farmyard retail offer and pop-up events create opportunities for local businesses.
- 7.8.3 Chester House is free to enter accessible site providing thousands of visitors and all members of the public somewhere to meet and explore history and nature as well as enjoy a varied programme of events.
- 7.8.4 The estate has had over 40,000 visitors to the free to enter estate and local history museum to date, have 60 students with disabilities that call Chester House their college, have claimed over 5,000 hours of volunteering time (vital in retraining and investing in local people), have had 4 full time kickstart students and 9 part time business internships. We have also created 9 full time roles and 14 part time positions and supported the set-up of 5 new local businesses on site
- 7.8.5 The commercial elements on the site are in place (events, café, B&B, weddings) to support the sustainability and overall function of the Northamptonshire ARC, the learning centre, volunteering offering and the preservation of the North Northamptonshire Heritage (listed) asset. Without the visitor attraction income, the burden of the upkeep of the scheduled monument estate, listed buildings, archive service and learning offering would be at a much larger burden to the council than how currently ran. Therefore, the commercial elements of the visitor attraction also self-fund a large free to enter green open space, for everyone to enjoy in North Northamptonshire.

## **7.9 Climate Impact**

- 7.9.1 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.
- 7.9.2 The capital works were focused on heritage buildings, some of which have listed building status. Whilst heritage buildings create limitations in relation to 'green' modifications that can be made, the project team targeted improvements to refurbishment where possible to ensure the heritage assets are improved and restored thereby future proofing them for generations to come.
- 7.9.3 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.

## **7.10 Community Impact**

- 7.10.1 There has long been ongoing support and recognition of the need to effectively invest capital to enhance, protect and future proof the prime heritage assets for existing and future generations of North Northamptonshire. The investment has wider benefits of promoting social inclusion by improving connectivity and offering improved community access to a wider cultural, heritage and learning offer, which the public may not have previously engaged with.
- 7.10.2 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.

## **7.11 Crime and Disorder Impact**

- 7.11.1 None identified.

## **8 Background Papers**

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- 8.1 NNC Chester House Update Exec Report 26<sup>th</sup> August 2021, including Business Plan July 2021