

Cabinet Member for Prosperity

Agenda

Date:	Friday, 8th May, 2009
Time:	10.00 am
Venue:	Room S1/2 - Westfields, Middlewich Road, Sandbach CW11 1HZ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. Tatton Park Board (Pages 1 - 6)

To agree the terms of reference and membership for a Governance Board for Tatton Park to oversee the delivery of the Council's objectives for the management and conservation of the Estate, the realisation of its value to the visitor economy and communities of Cheshire East and the wider region, plus the delivery of the lease obligations with the National Trust.

(There are no Part 2 items)

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CHESHIRE EAST COUNCIL

Cabinet Member for Prosperity

Date of meeting: 8 May 2009
Report of: Strategic Director, Places
Title: Tatton Park Board

1.0 Purpose of Report

- 1.1 To agree the terms of reference and membership for a Governance Board for Tatton Park to oversee the delivery of the Council's objectives for the management and conservation of the Estate, the realisation of its value to the visitor economy and communities of Cheshire East and the wider region, plus the delivery of the lease obligations with the National Trust.

2.0 Recommendation

- 2.1 That the Cabinet Member for Prosperity approve the terms of reference and membership for the Tatton Park Board as set out in the Annex to the report.

3.0 Financial Implications for Transition Costs

- 3.1 None

4.0 Financial Implications 2009/10 and beyond

- 4.1 One function of the Board will be to advise on and develop the Business Plan with the Manager of Tatton Park. Tatton Park operates as a trading account through a four-year rolling business plan, which includes the Financial Plan. Meanwhile there is no change in the resources required from the present level.
- 4.2 The net operating budget (£917,000 in 2008/09) has been transferred 100% as part of the Cheshire East budget settlement. This contributes to the total operational costs including costs related to income generation, staffing, conservation and in-house response maintenance. The gross budget in 2008/09 was £3.4m. Against this budget, Tatton raises nearly £2.5m of income. As a trading account Tatton Park carries forward surpluses or deficits against the annual budget into a 'revenue reserve' established since 2002.
- 4.3 Apart from central establishment charges, the other major budget element affecting Tatton relates to Property maintenance covering fees, cyclical and planned maintenance. The expenditure has fluctuated over the years but is based on adjustments to a nominal budget to take account of priorities from the quinquennial survey. The property maintenance budget in 2008/09 was £323,000.

5.0 Legal Implications

- 5.1 None at this stage. The proposals are a direct replacement for the Tatton Park Select Panel that provided the governance arrangements under the management of Cheshire County Council. Any proposed changes in the governance model for Tatton Park that may be considered by the Board would require legal review in the future.

6.0 Risk Assessment

- 6.1 Tatton Park contributes a £21.5m gross output to the economy and also impacts on communities through leisure, cultural, educational and environmental outputs. It is a high profile venue and creates a positive image for Cheshire East.
- 6.2 Cheshire East manages and finances Tatton Park through a lease signed with the National Trust in 1960. Failure to manage Tatton Park effectively would significantly reduce its impact on the economy and communities of Cheshire East, expose the Council to risk of reputational damage and lead to potential legal challenge should the terms of the lease be infringed.

7.0 Background and Options

- 7.1 This Council has publically recognised that Tatton Park is a significant asset with an important role to play in supporting the local economy and communities..
- 7.2 Tatton Park is owned by The National Trust, with whom Cheshire East has a 99-year, fully-repairing lease (formerly with Cheshire County Council) with 52 years to run. Within the constraints of the lease Tatton is currently managed as a trading account on a quasi-commercial basis, with around 800,000 visits annually. It operates a successful events programme, including the annual RHS Flower Show (in its 11th year). An independent analysis concluded that Tatton contributes annually some £21.5 million gross output (2006 figures) towards the local/regional economy (£8.8m net per annum). It is one of the major visitor destinations in the North West and is a leading contributor to the visitor economy. It is also a well loved recreational amenity used by residents from around Cheshire. Furthermore, Tatton's 2000 acres are of great importance for conservation of the built and natural environment, it contains three Sites of Special Scientific Interest and is a protected landscape. Tatton also has Registered Museum status.
- 7.3 Following a base budget review in 2001 Tatton has operated as a trading account with established 'freedoms and flexibilities'. It has operated through a 4 year rolling business plan that has produced a modest revenue surplus against budget in all but two years, which has been banked as a revenue reserve to offset against poorer years. Over that time the underlying trend has seen an increase in efficiency of income generation, a growth in many areas of business and

maintenance of Tatton's position in the visitor economy. The trading account status has been significantly beneficial to this achievement. Many factors, including weather, competition and the recession can impact on the business.

- 7.4 Significant issues remain, including the continuing need to access capital to finance improvements or business development, increasing pressures on the expenditure budget, uncertainties in the wider economy and a reliance on grant initiatives to fund development
- 7.5 Tatton has been instrumental in developing 'Cheshire's Year of Gardens '08' together with the inaugural 'Tatton Park Biennial', which offer significant potential for further growth, with benefits to both the economy and communities of the area. Tatton also has a pivotal role in a number of other cultural and tourism initiatives in planning for future years:

The development of Tatton as a 'must see' cultural destination in Cheshire is planned to continue over this period, with future Biennials having the potential to stimulate wider cultural activity in the sub-region. The brand development of Cheshire's 'Gardens of Distinction', cluster working and Tatton's importance to a sub-regional heritage Investment strategy are further examples of this wider role. Tatton is a driver for the cultural and visitor economy of Cheshire East and will be important to the ongoing development of the visitor economy of the area in conjunction with such as Jodrell Bank, 'Gardens of Distinction' or 'Cheshire's Peak District' brands. As such, Tatton Park is managed as part of the Visitor Economy service within the Places Directorate.

- 7.6 A service delivery options appraisal was undertaken in 2008/2009 that can inform the Boards consideration of future governance arrangements. The Tatton Park Select Panel received the final report on 3 February 2009 and agreed that:

Members endorse the approach Tatton Management have made, and recommend to Cheshire East the reports undertaken by ISPAL and Lawrence Graham as they provide a good basis for informing a future decision for Tatton Park.

The Chairman of the Tatton Select Panel recommended that similar governance arrangements be continued that are currently in place until alternative arrangements are made in future, in particular regarding the importance of retaining freedoms and flexibilities presently operating at the Park whilst respecting and working within the spirit of Tatton Park.

The Members also endorsed the work and ability of the present Management Team in day to day operation at the Park.

In the meantime there is a need to put in place management arrangements that carry forward the achievements to date and best

place Tatton Park to deliver positive outcomes for the economy and communities of Cheshire East.

- 7.7 It is suggested that the governance of the Board be based on the terms of reference and membership set out in the Annex.

For further information:

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Background Documents:

None

ANNEX

Tatton Park Board

TERMS OF REFERENCE

- To have oversight of the strategic management and business performance of Tatton Park under the terms of the lease with the National Trust and in line with the agreed objectives for its management.
- To advise on and develop with the Manager of Tatton Park the Business Plan that drives the strategic management of the Park, including the future development of service provision.
- To advise the Council in establishing its policies, protocols, regulations, and priorities, to ensure it can realise Tatton Park's potential in contributing to the visitor economy and communities of Cheshire East.
- To advise and make recommendation to the Executive or Council, as appropriate, regarding the strategic management of Tatton Park and any matters requiring Executive approval.
- To ensure that the governance arrangements for Tatton Park are 'fit for purpose' and to make recommendations to the Portfolio Holder regarding any changes required to the governance or to the delegated authority to be vested in the Board or with the Manager of Tatton Park.
- To co-opt others to the Board to assist and support its work in the management of Tatton Park

MEMBERSHIP

Cllr Walton
Cllr Wilkinson
Cllr Topping
Cllr Knowles
Cllr Flude
Cllr Arnold
Representative of Cheshire West and Chester

Cabinet Portfolio Holder: Cllr Macrae

Other representation as determined or required by the Board from time to time, such as a representative of the National Trust.

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