

# CHESHIRE EAST COUNCIL

## Cabinet

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<b>Date of Meeting:</b>	14 <sup>th</sup> June 2016
<b>Report of:</b>	Andrew Round: Interim Executive Director of Economic Growth and Prosperity
<b>Subject/Title:</b>	Tatton Vision Phases 1 & 2
<b>Portfolio Holder:</b>	Cllr David Brown, Highways and Infrastructure

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### 1. Report Summary

- 1.1. Tatton Park is one of the jewels in the crown of Cheshire East. Recognised by Visit England as Large Visitor Attraction of the Year in 2014 it continues to host major events such as the Northern RHS flower show and attracts over 800,000 visitors per annum, contributing over £8.8m per annum to the local economy (SQW 2006). Retaining that pre-eminent position does however require that it continues to develop and grow in what is a very competitive marketplace
- 1.2. The 'Tatton Vision' investment programme was approved by Cabinet in February 2011. It supports the stated goal of conserving Tatton Park for the enjoyment of present and future generations, which was jointly agreed by Cheshire County Council and the National Trust in 2002, and taken forward by Cheshire East Council. It aims to assist Tatton Park to reduce its dependence on core revenue funding from CEC, providing a sustainable base from which to deliver the joint objectives. Since 2011 the revenue budget has been reduced from c£1m per annum to £325k in 2016/17 while maintaining and enhancing the offer.
- 1.3. Tatton's annual business planning process ensures that the Vision programme is continuously refreshed with new objectives reflecting the need to evolve to attract new and increased audiences. The last report to Cabinet (February 2011) gave details of a number of developments that would deliver against that need e.g. new Gardeners Cottage restaurant and enhancements to retail and catering provision in Tatton's Stableyard area. We are now at the point of being able to implement the most significant of these phase 1 Vision developments with the Tatton Dale Farm 'Field to Fork' project which has been largely funded by grant (£974k) from the Heritage Lottery Fund. If approved by Cabinet improvements to this unique farm attraction will be completed in 2017/18.

- 1.4. This report also looks further ahead at what we should be doing in future years (phase 2 of the Vision) and outlines a number of new developments which will further benefit the business, conservation and management of the historic estate, the community and add to Tatton's contribution to 'quality of place' for the residents of Cheshire East. These proposals have been prioritised by the Tatton Board and this report seeks approval to commission the development of detailed plans and costings for further consideration.
- 1.5. A capital bid of £3.8m has been included in the capital programme for 2016 onwards in order to fund those future developments. This represents an investment opportunity which will continue to improve the financial sustainability of Tatton Park and reduce reliance on core CEC revenue funding.

## **2. Recommendation**

Cabinet is recommended to:

- 2.1. Approve the Tatton Dale Farm 'Field to Fork' project as specified in the Detailed Business Case (Appendix A attached).
- 2.2. Give delegated authority to the Head of Countryside, Culture and Visitor Economy in consultation with the Portfolio Holder with responsibility for Tatton Park, to implement the 'Field to Fork project' at Tatton Dale Farm including entering into all necessary contractual arrangements (in accordance with the Constitution) including but not limited to procurement of building contractors, external consultants, leases and volunteer support and including the terms of the grant and approved purposes contained in the Heritage Lottery Fund grant award letter of 27/11/15.
- 2.3. Give delegated authority to the Head of Countryside, Culture and Visitor Economy in consultation with the Portfolio Holder with responsibility for Tatton Park, to approve the heads of terms for the Deed of Variation in respect of the Lease of Tatton Park dated 15<sup>th</sup> February 1961 between the National Trust for Places of Historic Interest or Natural Beauty and the County Council for the Administrative County of the County Palatine of Chester and for the Director of Legal Services to agree and execute the Deed of Variation for Tatton Park in relation to the Farm Field to Fork project.
- 2.4. Approve the refreshed phase 2 Tatton Vision programme and objectives.
- 2.5. Note the high level proposals contained within the Tatton Park Phase 2 plan, with its associated £3.8m budget, and give delegated authority to the Head of Countryside, Culture and Visitor Economy in consultation with the Portfolio Holder with responsibility for Tatton Park to produce detailed business cases for these (or additional or alternative) proposals, including the procurement of external consultants and other expertise as necessary.

- 2.6. Give delegated authority to the Portfolio Holder with responsibility for Tatton Park, in consultation with the Director of Legal Services and the Chief Operating Officer, to authorise the implementation of those business cases providing that they do not have an individual value greater than £1m, as allowed for in the Constitution. Such projects to be endorsed and managed in accordance with the Council's project management regime.
- 2.7. Accept that detailed business cases with a value greater than £1m be returned to Cabinet for further consideration in due course in accordance with the Constitution.
- 2.8. Give delegated authority to the Director of Legal Services (in consultation with the Chief Operating Officer) to undertake all necessary and consequential action arising from the above recommendations including but not limited to entering into any necessary legal documentation and partnership arrangements.
- 2.9. Give delegated authority to the Head of Countryside, Culture and Visitor Economy, in consultation with the Portfolio Holder with responsibility for Tatton Park, to apply for and accept external funding including but not limited to Heritage Lottery Fund and other grants, donations and bequests in support of any of the proposals mentioned above.

### **3. Other Options Considered**

- 3.1. To do nothing at this stage would likely result in a downward spiral for the attraction as visitor numbers reduce resulting in lower future income generation and potentially impact on delivery of the Council's lease obligations with the National Trust. This would impose greater financial burdens on CEC. The local economy would also suffer as visitor numbers reduced.
- 3.2. The commitment to accept HLF funding for the 'Field to Fork' project was undertaken under delegated authority in accordance with the constitution; to not deliver on that commitment would have serious reputational damage and may impact on our ability to attract future grants of a similar nature.
- 3.3. The options considered for the 'Field to Fork' project were detailed in the business case that was endorsed by TEG and EMB in January 2016. The 'do nothing option' would mean the inherent heritage assets of the farm would not be protected or realised, increasing competition from 60 equivalent farm attractions within a 50 mile radius would have greater impact and the additional net financial contribution to the Tatton Vision would not be achieved. The option for Cheshire East Council to fully fund the project would mean there

would be no requirement to meet HLF grant criteria or obligations but obviously a significantly greater capital investment from CEC would be required.

- 3.4. Full details of the options considerations for the Phase 2 work will be included in future submissions once detailed planning work and feasibility studies have been undertaken. These will be prioritised by the Tatton Board on the grounds of cost, benefit and timing.

#### **4. Reasons for Recommendations**

- 4.1. Tatton Park is one of the Country's leading heritage attractions, welcoming over 800,000 visitors a year and given the 'Gold' award by Visit England as 'Large Visitor attraction of the year in 2014. Cheshire East Council has an ambitious 'vision' for Tatton Park that seeks to conserve the estate, improve access, develop sustainable income bases that help reduce the reliance on Council funding and supports the Council's growth strategy for its visitor economy. As part of this, there is a need to refresh and reposition the 'Tatton Vision' to identify, scope out and plan for the next phase of a programme of investment that will help Tatton deliver a sustainable business model that is not reliant on core revenue support from the local authority.
- 4.2. To date, investment in the 'Tatton Vision' has seen visitor numbers rise, quality maintained or enhanced, and the cost to the Council reduced by over 50%. Cheshire East Council manages and finances Tatton Park on behalf of the National Trust under the terms of a 99 year lease. The shared aim is: 'to conserve Tatton Park for the enjoyment of present and future generations', providing an enjoyable experience and excellent service; showing leadership in rural, heritage, conservation and tourism fields, making an active contribution to the local community and reflecting the values and standards of Council and key partners, (including the National Trust).
- 4.3. Tatton Park is a grade 2\* landscape with a range of other conservation protections, including a Grade 1 listed Mansion. The nature and sensitivity of the site along with the relationship with the National Trust and other conservation bodies are important in considering options for this site and commercial approaches to funding that conservation.

#### **Field to Fork**

- 4.4. The 'Field to Fork; two centuries of farming at Tatton Dale Farm' project is a significant element of the Tatton Vision and there is strong commitment from the Tatton Board, the National Trust and the Heritage Lottery Fund (HLF) to this initiative. The HLF have already provided funding of £76k for project development phase and more recently approved a grant of £974k towards delivery costs for this major capital project. The total capital cost of the project is £1.3m. Ultimately 'Field to Fork' will ensure the conservation and realisation

of the Farm's inherent heritage to ensure its long term sustainability and contribution to broader Tatton and Cheshire East Council objectives.

- 4.5. In essence this is a ground-breaking project which will reposition Tatton Park's farm from a young-family orientated animal petting farm to a heritage centred attraction which engages not just a greater number of visitors but also a wider range of audiences with the agricultural, architectural, technological, social and cultural heritage integral to the site.
- 4.6. This will be achieved through a capital works programme including opening up the agricultural feed mill and restoring its machinery (as well as other closed buildings); the construction of a new multi-functional group space building; a cutting-edge, site wide re-interpretation design alongside a high quality interactive activity programme of participative learning for all.
- 4.7. The whole farm will be revitalised to inspire new and increased visitors i.e. from primary to higher education tiers, volunteers, adults, people with health/learning needs, deprived CEC wards, black and minority ethnic groups, corporates and families, with a narrative of food production for a large country estate from the 18th to 20th Centuries and its contemporary relevance to food production and healthy eating. Volunteers are an important audience as HLF monetise volunteer hourly contribution and include this value as a non-cash contribution in approved project costs. Initial improvement to the farm attraction was successfully delivered in 2012 with the addition of outdoor adventure play equipment, den building area and maize maze. This resulted in a 12% increase in visitor numbers and improved net contribution. The Field to Fork project is a more fundamental development with significant investment of £1.3m.
- 4.8. A high level business case was endorsed by TEG and EMB in January 2016 as part of Cheshire East's project management governance process. The business case shows that visitor number increases are gradual, realistic and sustainable. The business case included comprehensive financial analysis of the farm conducted in July 2015 by Amion, an independent economic and financial advisory consultancy. The resulting financial projections detail how the financial model is commercially viable with improvements in net contribution from the 2014/15 baseline of 85,000 farm visitors to 115,000 visitors in 2019/20 and 130,000 visitors by year 2022/23. On the visitor projections the project is not only sustainable but will make an improved contribution to the conservation, management and maintainability of Tatton Park as a whole.

### **The refreshed Tatton Vision**

4.9 With plans already completed for a number of existing Tatton Vision projects, the Council is keen to develop the next phase of the Tatton Vision programme, with potential investment of £3.8m capital allocated in the capital programme over the

next few years. It is essential that this programme is properly planned to ensure that this phase is deliverable and that projects achieve their stated objectives. The business cases for the overall Tatton Vision Programme and the resulting development proposals will be endorsed by CEC's project governance gateways (TEG and EMB) before progressing to implementation stage.

4.10 The Vision builds upon the goal agreed by the Council and the National Trust in 2002 – **“Our Vision is to conserve Tatton Park for the enjoyment of present and future generations”**

Tatton aims to:

- Provide an enjoyable experience and excellent service
- Show leadership in rural, heritage, conservation and tourism fields and make an active contribution to the local community
- Reflect the values and standards of the Council and key stakeholders, including the National Trust

To achieve this we will:

- Maintain and conserve Tatton Park's historic, built and natural features.
- Facilitate and encourage local, tourism, civic and business communities to access, support and make appropriate use of Tatton Park.
- Develop and maintain relevant sources of income to help realise the vision for Tatton Park.
- Provide opportunities for education, the development of young people and lifelong learning through relevant activities and programmes.
- Implement a varied programme of events and activities.
- Promote Tatton Park as a flagship tourism venue.
- Provide quality in service and value.
- Help create opportunities for local employment and economic benefit.
- Seek to develop people and to be a well-managed organisation.

4.9. Based on the above Tatton has identified the following objectives:

- Taking Tatton to a 'new level'
- An 'invest to save' programme of capital investment.
- Enhanced visitor offer & experience
- Reinforcing the character and qualities of the Estate;
- A sustainable approach to conserving Tatton for the enjoyment of current and future generations

4.10. Tatton will deliver on the above in order to:

- Continue to evolve for the benefit of the heritage, the community and the environment
- Develop additional income streams
- Ensure future financial sustainability,
- Continue to reduce reliance on the Council's revenue funding,

- Improve visitor experience and emphasise high quality
- Improve resilience of events
- Achieve conservation benefit.

### **‘Tatton Vision’ Phase 2 investment**

4.11. Much has already been achieved through earlier Tatton Vision investments but there is more that can yet be done to achieve the objectives. The options below illustrate some of what could still be developed. Progress of all or any of these will depend on their feasibility, their investment business case and their deliverability. Plans will primarily focus on the visitor business in the context of the site’s heritage with the ultimate aim of improving the proposition and generating sustainable income streams to help conserve and manage the estate for the benefit of the public and for its heritage. The options appraisal and project development will focus on clear outcomes with demonstrable positive impact related to factors such as sustainable income, return on investment, funding opportunities, brand profile/perception, heritage, environment, management, conservation and visitor enjoyment.

4.12. It is expected that options and projects will be related to Visitor infrastructure, product development and the permanent visitor offer. It is fundamental to recognise that the visitor business must always build upon the sense of place and enhances what is unique, distinctive and cherished about Tatton Park. These phase 2 projects for future development are therefore likely to include:

- Stableyard ‘destination’ retail/catering/leisure and arrival experience
- Outdoor event infrastructure
- Parkland restoration and extension of public access/outdoor activities

## **5. Background/Chronology**

5.1. The Tatton Park visitor offer and brand has evolved in its range and quality in recent years, evidenced by its growing popularity and the improved operating performance. During the last 6 years specifically, the financial performance of Tatton Park has improved markedly. According to Visit England’s published data, visitor numbers have grown by 7% in the last five years. Despite core expenditure remaining relatively stable (i.e. a similar scale of investment is being made in the day-to-day operation and maintenance of the Estate) the net deficit has reduced by 45% over the same period. This strong performance has been largely down to: a substantial increase in admissions turnover (£123k) – a significant proportion of which can be attributed to the Farm; an increase in car park turnover (£93k); and an increasing direct contribution from Major Events (£51k). This reflects the growing importance of Tatton as a local leisure amenity for families and a major event destination for Cheshire and the North West region.

- 5.2. In 2014/15 the operating deficit - funded by Cheshire East Council – was £500,000. Factoring in changes for 2016/17 (notably increases to vehicle entry prices), the operating deficit is anticipated to further reduce to around £325,000. This baseline position (i.e. the 'do nothing' option) still represents a significant deficit to eliminate and one that is unlikely to be achieved through incremental changes alone but instead, will need a 'step change' factor or transformational investment. Indeed without continued development of the visitor offer it is likely that the position would deteriorate as visitors drifted elsewhere.
- 5.3. Managing the estate is a complex challenge – particularly for a local authority – with a constant need to balance the sensitive heritage and conservation requirements with commercial, social and cultural considerations. Importantly its management by CEC allows it to make a significant and positive contribution to the 'sense of place' that we are keen to foster for the borough's residents.
- 5.4. With this positive yet complex background, a site wide review of investment opportunities has now been completed, guided by four overarching objectives:
- Reinforcing the character and qualities of the Estate;
  - Emphasising high quality;
  - Recognising the importance of wider brand recognition; and
  - Moving towards a sustainable base that can work towards reducing the operating deficit.
- 5.5. The review focussed on further investment which could be tactically deployed to support a refreshed vision and allow the destination to continue to evolve for the benefit of the heritage, the community and the environment. The assessment indicated that further investment in the Stableyard, Major Events Infrastructure and Parkland Restoration could be prioritised to build positively on recent and planned investments (including the Farm 'Field to Fork' project) and to provide a robust and defensible business proposition upon which future opportunities can be explored (notably throughout the wider estate). Indeed the restoration of the wider parkland in some form – certainly in part – is likely to represent a necessary conservation gain in order to mitigate against part of the new events infrastructure proposals.
- 5.6. There is considered to be significant opportunity and headroom for improvement and expansion (i.e. financial return and quality improvements) across the Stableyard and Event Infrastructure propositions – as evidenced by the physical, market and economic analyses undertaken. The restoration of the wider parkland could be developed and implemented in a number of ways which have a broad range of investment requirements.
- 5.7. The investments being proposed have the potential to further reduce the remaining operational deficit, increase financial sustainability and contribute significantly to the conservation and ongoing guardianship of the asset.



Furthermore, they will provide stronger foundations for broadening the visitor offer and substantially improving public engagement, not only for the local community, but for the broader visitor economy of Cheshire.

## **6. Wards Affected and Local Ward Members**

- 6.1. All wards will be affected albeit indirectly since they contain residents who will be able to access these improved facilities and whose local economy is likely to benefit from increased visitor numbers and spend.

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

7.1.1. The Council has developed a three year plan with six specific outcomes. These proposals will have a positive impact on five of those:

- **Outcome 1 Strong & Supportive Communities:** Tatton Park has already forged strong links with local community groups including schools, Arts and Historical societies and various disadvantaged groups. Further developing its facilities will not only strengthen these but will widen its appeal and present new opportunities such as community exhibition space and family challenge activities.
- **Outcome 2 Strong & Resilient Economy:** Tatton Park is a significant contributor to the Cheshire East Visitor Economy, being worth a net £8.8m pa to the local economy (SQW 2006). Projects included in the Tatton Vision are aimed at growing that output, while improving financial sustainability and reducing costs to the Council. Tatton Park is also a significant contributor to the profile, image and 'quality of place' of Cheshire East.
- **Outcome 4 Green and sustainable place:** Tatton Vision Phase 2 projects will assist the financial sustainability of Tatton park so ensuring the conservation of rural character, heritage and environment. Projects may also ensure the conservation value and physical sustainability by extending the carrying capacity for visitors and events as well as improving the heritage and conservation performance.
- **Outcome 5 People live well and for longer:** Tatton Vision Phase 2 projects will assist the sustainability of Tatton Park so ensuring people have access to good recreational and cultural facilities as well as developing interest in the Arts, Heritage, environment and leisure activities with related benefits to physical and mental health through active and stimulating lives.
- **Outcome 6 Quality and Value in Public Services:** Tatton Park currently relies upon funding from CEC to augment the income it receives from visitors and other sources. Improving and expanding the visitor offer aims to reduce this funding requirement thereby delivering better value for money and freeing up CEC monies for other services.

### **7.2. Legal Implications**

7.2.1. The legal implications of the Field to Fork project are included in the terms of the grant and approved purposes contained in the HLF grant award letter of November 2015. The approved purposes must be completed by 30 June 2019 and include:

- Repair and restore key farm buildings:
- Upgrade facilities including education room, staff office, volunteer space and toilets within existing farm buildings
- Construct a new multi-purpose educational space with toilet facilities
- Restore in-situ machinery to working order
- Implement a comprehensive interpretation scheme across the farm:
- Deliver an activity plan to engage new audiences
- Employ a project manager for 18 months.

7.2.2 The Council must comply with the HLF standard terms of grant for the Farm Field to Fork project and also some additional grant conditions in respect of the project which will last for 20 years from the project completion date. The additional grant conditions include:

- A statement to evidence the decision making process to authorise the acceptance of the grant
- For 10 years after the project work is finished, detailed certified accounts,
- Proof that CEC have a lease of the property with at least 20 years left to run from the expected project completion date. The lease must be consistent with HLF requirements and this has necessitated a requirement for an additional Deed of variation to amend the lease for Tatton Park with the National Trust to allow reassignment of the lease if the Council fails to deliver on the required grant conditions in relation to the 'Field to Fork' project at Tatton Dale Farm.

7.2.3 HLF also have the right to withdraw the grant if work on the delivery phase starts before they have given permission to start or work does not start on delivery phase within 6 months of grant award or a date we have subsequently agreed. In addition, HLF can withdraw the grant if they are not satisfied that the terms of the grant are valid and binding on the grantee.

7.2.4 The legal implications of Phase 2 projects will be considered in due course as part of the development of their own detailed business cases.

### **7.3. Financial Implications**

7.3.1. The 'Field to Fork' project is estimated to cost £1.3m with the majority of funding coming from without the Council. All has been secured.

- CEC £267k
- Tatton Park Charitable trust £56k
- Other funders £51k
- Heritage Lottery Fund £974k

7.3.2. Financial projections, cost of investment funding and other financial implications of Phase 2 projects will be incorporated in their subsequent detailed business cases. A capital funding allocation of £3.8m has been earmarked in CEC's capital programme for 2016 and beyond.

7.3.3. If less is spent on the 'Field to Fork' project than the approved project budget, HLF will reduce the final grant payable proportional to the HLF's grant contribution percentage. The standard terms of grant include a requirement to repay grant under specified conditions. These include: significant change to status, negligence, fraud and failure to keep to the terms of grant.

### **7.4. Equality Implications**

7.4.1. The detailed business cases will be considered through the council's endorsement and approval processes and will include a detailed Equality Impact Assessment exploring any implications.

7.4.2. Given that the aim of all this work is to improve the range and quality of services delivered at Tatton it is expected that any impacts will be positive.

### **7.5. Rural Community Implications**

7.5.1. Tatton Park is a significant contributor to the rural visitor economy. The conservation of Tatton Park contributes to the protection of the rural environment and its heritage. The sustainability of Tatton through phases 1 and 2 of the Tatton investment programme is vital to achieving these goals. The Farm at Tatton Dale and the interpretation of farming and food production through the 'Field to Fork' project will make a significant contribution to awareness of rural issues.

### **7.6. Human Resources Implications**

7.6.1. The HR implications will be clearly identified in the detailed business cases to be considered.

### **7.7. Public Health Implications**

It is expected that encouraging more visitors to what is largely an outdoor activity venue can only have a positive impact on quality of life and the social and health benefits of outdoor recreation.

#### **7.8. Other Implications (Please Specify)**

7.8.1. There are none envisaged at this stage.

### **Risk Management**

7.9. The key risks for phase 2 Vision projects will be identified in the detailed business cases to be developed. A risk register has been completed for Field to Fork' and was endorsed as part of the business case presented to TEG and EMB in January 2016. All risks will be regularly assessed, monitored and managed by the project board.

### **8. Access to Information/Bibliography**

9.1 The background papers relating to this report can be inspected by contacting the report writer:

### **9. Contact Information**

Contact details for this report are as follows:

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