

Report of Director of Communities and Environment

Report to Executive Board

Date: 24th September 2020

Subject: Temple Newsam Indoor Play Barn

Capital Scheme Reference: 33387

Are specific electoral wards affected? If yes, name(s) of ward(s): Temple Newsam	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- In October 2016 Executive Board gave approval to develop plans for an indoor play barn with integrated café along with a new entrance (incorporating a retail facility) utilising the old cow byre set in the core of the historic buildings at Home Farm, Temple Newsam.
- Home Farm, Temple Newsam is a well-established attraction set within grade II listed buildings. This report highlights progress made in developing plans and in particular how heritage buildings at the farm can be conserved, reinvigorated and animated by creating an indoor play barn, café and retail space that will improve visitor experience all year round and develop a financially sustainable future for the attraction. This in turn will continue to conserve rare breeds and develop the education experience for a wider range of visitors.
- NPS Group has been commissioned to progress the project to a detailed design stage taking account of the importance of restoring and sustaining heritage buildings along with the challenges that this presents. This work has now progressed to a stage where the implications of transforming the heritage buildings are well understood, along with the investment required.

- This proposal also provides an opportunity to provide a fund to help children in deprived communities. It is therefore planned as part of the business case to allocate 10% of the gross surplus allowing support for families to access the attraction as well as allocate funds within deprived communities to help deliver improvement projects that benefit children.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- The proposal would make a contribution to the following Best Council Plan priorities:
 - a. Health and wellbeing by supporting healthy, physically active lifestyles.
 - b. Inclusive Growth through using the civic enterprise model to generate income to fund the new visitor facilities and provide a return on investment.
 - c. Safe, strong communities by providing a new, inclusive community resource for local people and visitors from further afield.
 - d. Growing the cultural sector through restoring, promoting and sharing the heritage of the site, and ensuring that it can be more widely experienced.
 - e. Child Friendly Leeds through improving health and wellbeing, an enhanced learning environment and a place for children to play.

3. Resource Implications

- A cost report to RIBA design stage 2 has been provided by NPS Group and identifies a capital cost of £2.580 million to carry out all construction works, fixtures and fittings to secure the future of heritage buildings. There is an additional cost of £1.1 million for indoor play equipment, furniture and equipment along with general farm improvements thus a total £3.68 million investment.
- The farm attraction current makes a loss of £106k with a £78k shortfall against the budget in 2019/20. Business case projections using reasonable assumptions demonstrate that a £203k net budgeted saving can be made via admission income growth in addition to a further net surplus of £75k from café and retail activities. Prudential borrowing costs are £204k which leaves a £74k surplus for which it is proposed 10% is allocated to help children in deprived communities thus a net contribution to the medium term financial plan of £67k.

Recommendations

Executive Board is requested to approve the following:

- a) To implement proposals contained in this report subject to a review conducted before award of tender (anticipated in February 2021) to assess the potential impact of COVID-19.
- b) To agree in principle to inject £3.68 million investment into the capital programme and delegate authority to spend approval of the full scheme to the Director of Communities and Environment following the review in February 2021.
- c) To note that the Chief Officer Parks and Countryside will be responsible for implementation of the scheme.

1. Purpose of this report

- 1.1 This report highlights an opportunity to conserve and transform heritage buildings to develop an all year round visitor attraction at Home Farm, Temple Newsam. This will be achieved by creating an indoor play barn, café and retail facility within the heart of the existing farm attraction. This report sets out the business case to achieve a financially sustainable future for the buildings, improve visitor experience as well as continue to conserve rare breeds.

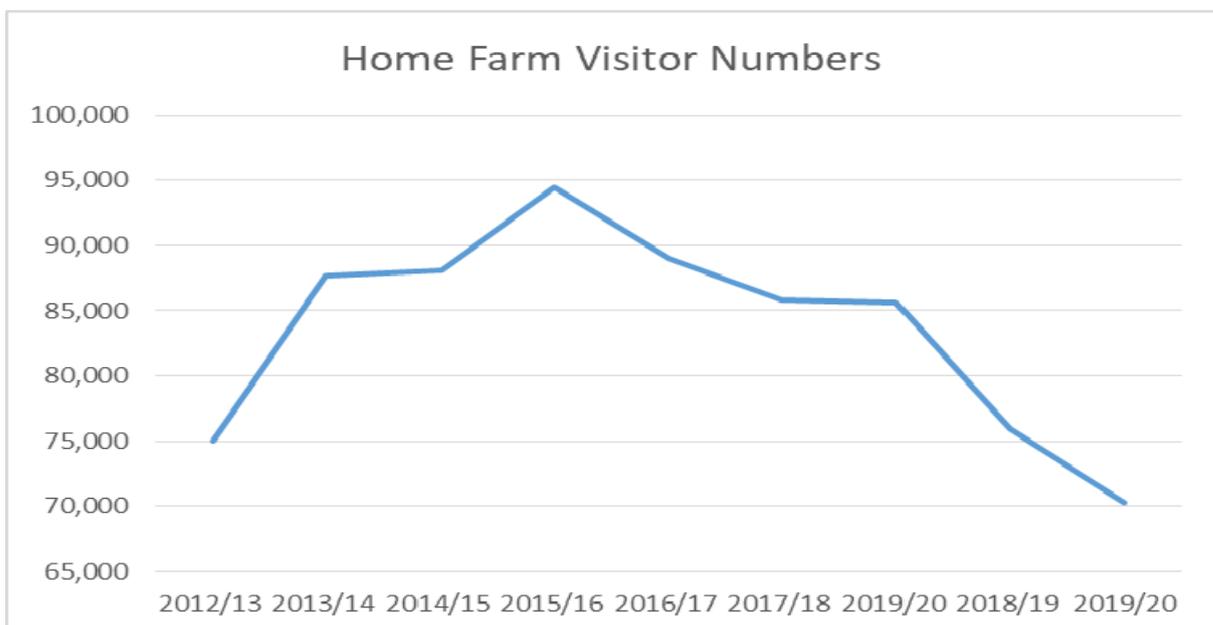
2. Background information

- 2.1 Temple Newsam Estate includes the grounds, existing café set within the stable courtyard with a Tudor-Jacobian house set within a landscape containing important heritage features. The grounds of the estate attract in the region of 2 million annual visits. Home Farm is a well-established paid attraction within the grounds of the estate with a variety of rare breed animals set within heritage buildings.
- 2.2 In October 2016 Executive Board approved plans to develop an indoor play barn with integrated café along with a new entrance (incorporating a retail facility) utilising the old cow byre set in the core of the historic buildings at Home Farm. At that point the proposal was at feasibility stage and as buildings at Home Farm are grade II listed, NPS Group has been commissioned to progress the project to a detailed design stage taking account of the importance of restoring and sustaining heritage buildings along with the challenges that this presents.

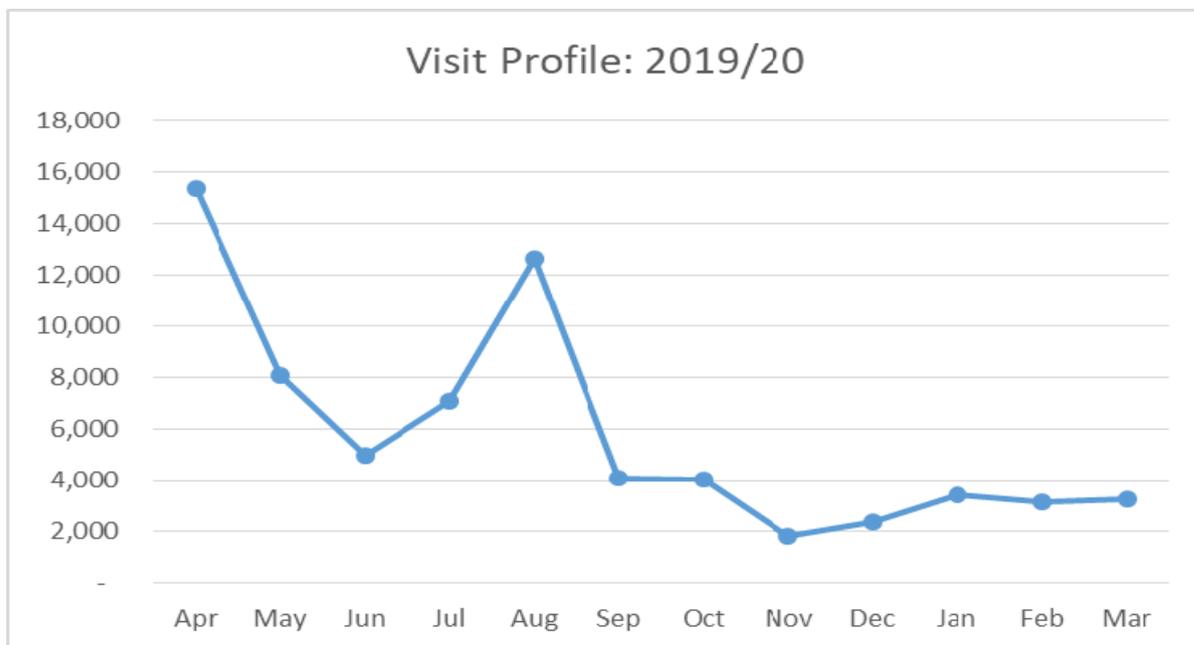
3. Main issues

3.1 Visit Patterns and Trends

- 3.1.1 The attraction is in need of investment and developing an indoor play barn presents an opportunity to deliver more general improvements to better attract visitors and enhance the experience. The need for investment is illustrated in the following graph by the pattern of annual visits which peaked in 2015/16 at nearly 95,000 visits down to around 70,000 in 2019/20 which has in part been contributed to by the loss of the old cow byre for animal displays.



3.1.2 The following graph illustrates the highly seasonal nature of the current offer and demonstrates how visitor numbers peak in April and August and are at their lowest in the autumn and winter months. The number of visitors in the farm peak in April at around 15,000 and in contrast, November attracts around 1,500 visitors. This equates to a 90% drop off in visitors paying into the farm during winter months. It should be noted that the attraction was closed due to COVID-19 during the last two weeks of March 2020.

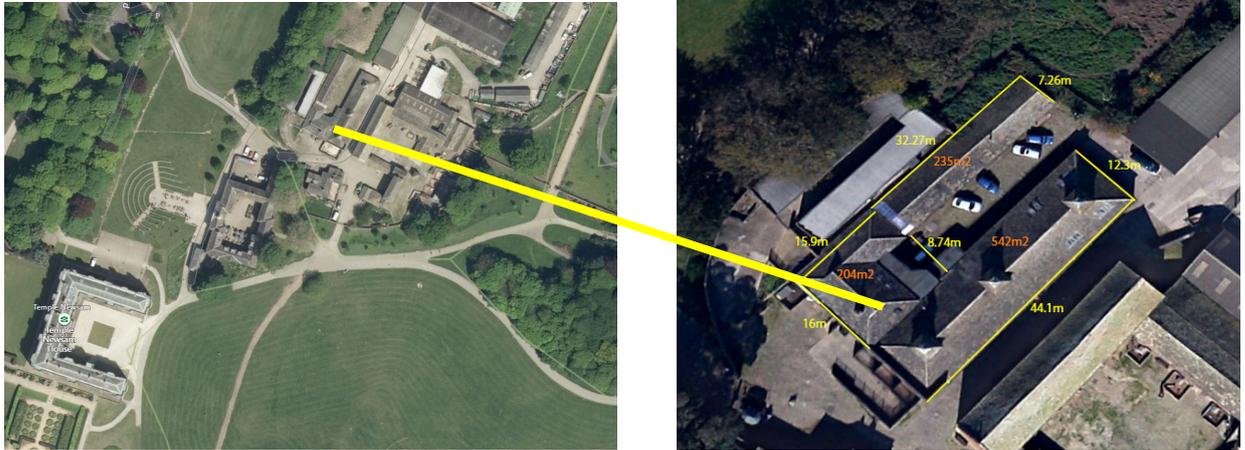


3.1.3 The other issue to consider is the age range of people who visit and the proportion who currently pay for a ticket. The following table provides analysis of the type of ticket sold broadly by age range along with the current admission price. It should be noted that Leeds card holders gain a 20% discount and 'Extra' card holders 40% discount. It can be observed that the majority of children who currently visit are under 5 and gain free entry and in general the attraction appeals less to older children.

Entry Type	Admission Price	2019/20 Visits	Proportion
Adult	£4.10	36,492	52.0%
Child 5 to 16	£2.80	7,067	10.0%
Child under 5	Free	19,494	27.8%
Schools	Leeds are free	1,835	2.6%
Family	£11.10	2,913	4.1%
Max card and carers	Free	2,489	3.5%
Total		70,290	

3.2 Proposal

3.2.1 The proposal is to convert and extend the existing cow byre at Home Farm, Temple Newsam to provide a new entrance to the farm with reception and ticket desk, an indoor play area, café and shop. The location of the proposed development is illustrated below.



3.2.2 Accompanying this there will be general improvements to other areas of the existing attraction to ensure that there is a consistency in the overall visitor experience in the quality of facilities and interpretation. This will significantly improve the visitor attraction and enable an all year round offer to be developed which will appeal to older children and increase visitor numbers. The café will attract family visitors and ease demand on the existing courtyard café as well as increase its appeal to general park visitors.

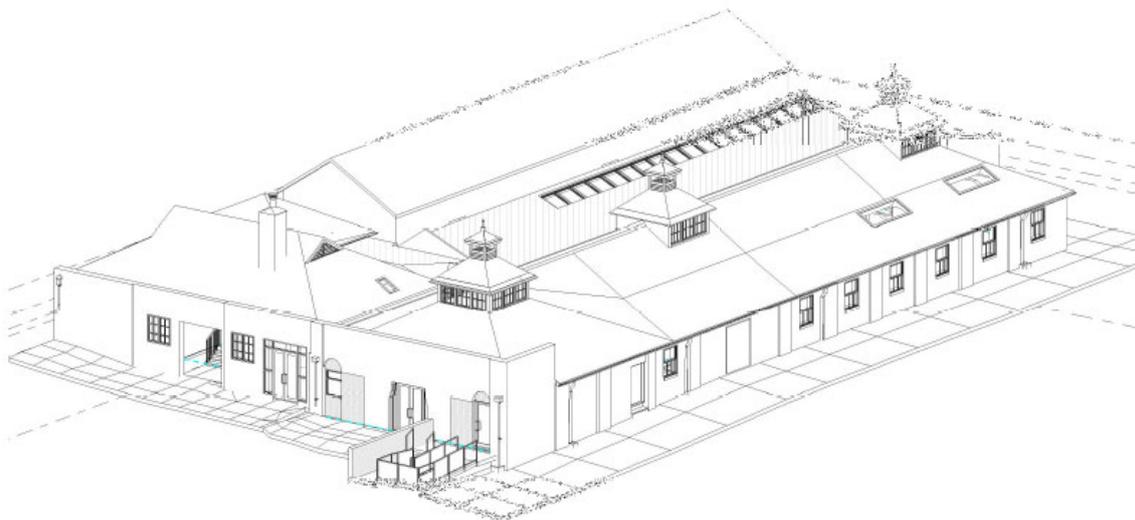
3.2.3 The following image illustrates the current entrance and proximity of the cow byre, with the existing payment booth for those wishing to gain entry.



3.2.4 The current exterior of the cow byre building and internal space is illustrated as follows, which in its current condition cannot be used.

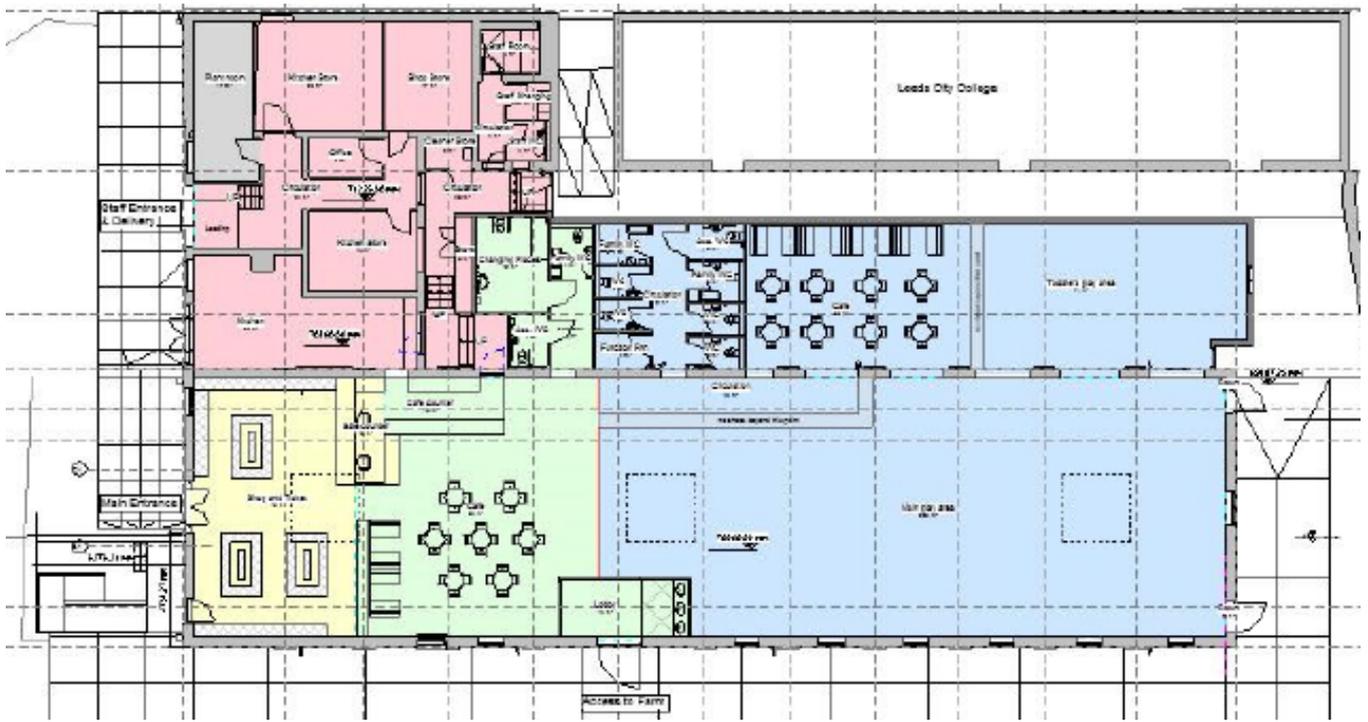


3.2.5 The proposal would involve transforming the entrance to the farm incorporating a retail area as part of the ticket access arrangements. The surrounding area before accessing the paid attraction would seek to invite people to access the attraction by including some chickens and other suitable animals on display. The current buildings form a 'U' shape which would be filled with an extension to extend play opportunities as well as incorporate a café. The following drawing illustrates the new entrance arrangement to the building with the existing cow byre to the right and extension behind. The building to the rear is the existing Leeds City College facility which is not part of the proposed development.



3.2.6 The three 'turrets' that are a feature of the old cow byre will be used to incorporate play features and add height to the play experience. One of the turrets will be used to enable children who are less mobile to use a lift to access the indoor play facility as well as to get views of the heritage landscape.

3.2.7 The following plan gives an indication of how the overall space will be utilised with the area in blue largely devoted to the indoor play area, the area in green generally café space with the retail area in yellow.



3.2.8 The space is designed to include some flexibility concerning how the various elements combine and could adapt to meet changing future demand. The following images give a sense of the look and feel of the café area based on other similar attractions.



3.2.9 The significant seasonal variation of an outdoor attraction identified above would be overcome by providing indoor space for children along with allowing accompanying adults to socialise. It is anticipated that there is considerable potential to increase visitor numbers in particular over the winter months. It is reasonable to assume that visits will increase as has been the experience at Tropical World and Lotherton Wildlife World when investment has been made. A specialist play provider will be commissioned to design and build the internal play equipment. The following images from similar attractions provide an illustration of the type of experience that can be expected.



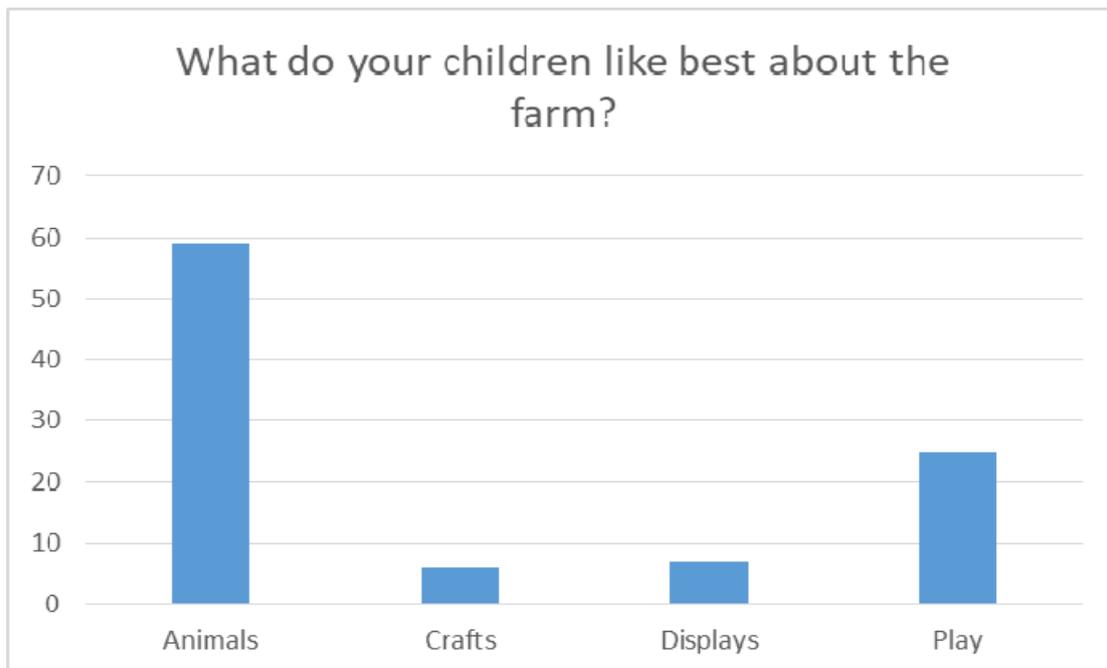
3.3 Timescales

3.3.1 It is anticipated that construction works will be conducted in 2021/22 ready for opening in April 2022. As the buildings are not currently in use it is not expected that the construction will have any significant issue on income in 2021/22.

4. Corporate considerations

4.1 Consultation and engagement

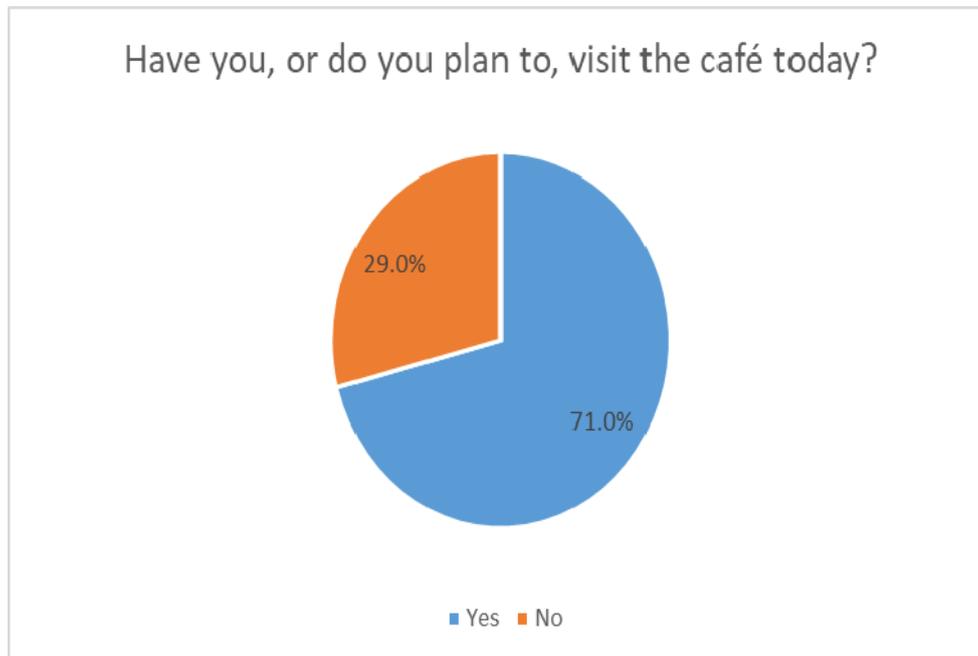
4.1.1 A consultation survey has been conducted asking visitors for their views on how the farm attraction might develop. There were 63 people who responded of which 58% visited around once a month with the remainder (42%) around once each year. Whilst animals are clearly the key reason for visiting, 'play' also features highly as illustrated below.



4.1.2 It is clear that the development of an indoor play facility would be of particular interest, particularly during winter or when the weather was less favourable (94% of respondents already visit the existing outdoor play facilities at Temple Newsam).



- 4.1.3 It is also interesting to note that the majority planned to visit the existing café in the courtyard away from the attraction and thus a positive indication that people would visit an integrated café as part of the indoor facility.



- 4.1.4 Annual visitor surveys are also undertaken for the house and farm; in 2018 and 2019 the motivation to visit 'to entertain the children' was in the top three reasons to visit, and at number one in 2018. In both of these years over 50% of visitors included the playground in their visit to the farm.
- 4.1.5 The Friends of Temple Newsam Park have been regularly briefed about proposals to develop a play barn in the historic core of the estate. In particular there is an understanding that this project presents an opportunity to conserve and maintain an historic building and to generate funds to assist with the long term sustainability of the park.
- 4.1.6 Historic England have been consulted with regard to the conservation of buildings and the appropriate use of historic buildings for commercial purposes to generate income to ensure their future survival. This included a site visit which included a discussion on the long term need to redevelop the farm entrance area to have a safer, commercially viable offer that was more integrated with the courtyard.
- 4.1.7 The Conservation and Design team in Planning Services have been consulted by NPS Group to consider the impact in particular on the cow byre building. This includes paying due regard where appropriate to utilising materials and features consistent with the original building design and construction, particularly to retain the three roof lanterns which are a prominent feature of the building. Preliminary discussions have also taken place with colleagues in Planning Services, having particular regard to the Green Belt planning policy requirements and it is proposed to continue this dialogue as and when the scheme develops. Whilst these initial discussions are positive, with the preliminary view that the proposals have merit particularly in light of bringing the building back into beneficial use, they are taking place without prejudice to the consideration and determination of any planning application that may be submitted.
- 4.1.8 The proposals in this report complement work which is ongoing as part of the resilient heritage funded project to develop an audience development and business plan. Research work includes visitor surveys and hosting consultation days

focussed around a review of the historic landscape and buildings with a view to developing a sustainable approach which would underpin a potential future major capital bid.

4.2 Equality and diversity / cohesion and integration

4.2.1 An equality, diversity, cohesion and integration screening has been completed to accompany this report.

4.3 Council policies and the Best Council Plan

4.1.1 The proposal would make a contribution to the following Best Council Plan priorities:

- Health and wellbeing by supporting healthy, physically active lifestyles.
- Inclusive Growth through using the civic enterprise model to generate income to fund the new visitor facilities and provide a return on investment.
- Safe, strong communities by providing a new, inclusive community resource for local people and visitors from further afield.
- Growing the cultural sector through restoring, promoting and sharing the heritage of the site, and ensuring that it can be more widely experienced.
- Child Friendly Leeds through improving health and wellbeing, an enhanced learning environment and a place for children to play.

4.3.1 The scheme would help achieve the Key Performance Indicator of allowing more people to enjoy greater access to green spaces.

Climate Emergency

4.3.2 It is proposed that renewable energy sources will be considered where possible including solar PV, wind energy, insulation, ground source heat pump and heat recovery.

4.4 Resources, procurement and value for money

Current Financial Position

4.5.1 The financial position for Home Farm in the last full year is summarised in the table below which demonstrates a net actual deficit of £106k, which is £78k over the net budget.

2019/20	Budget	Actual	Variation
	£	£	£
Income			
Admissions	-264,350	-203,853	60,497
Livestock and meat sales	-33,220	-34,940	-1,720
Total	-297,570	-238,794	58,776
Expenditure			
Farm operating costs	326,330	345,253	18,923
Net Position	28,760	106,460	77,700

4.6 Business Case

- 4.6.1 The intention is to fund this scheme via unsupported borrowing, so clearly the proposal needs to be underpinned by a sound business case. Given that the attraction was achieving around 95,000 visits in 2015/16, the reasonable assumption made is that these level of visits can again be achieved given the investment and improvements to be made. In order to achieve this, on average the number of visits would need to increase by 34%. However, as discussed it is anticipated that there will be proportionately higher seasonal visits over the autumn and winter.
- 4.6.2 When the service embarked on a focused marketing campaign to increase winter admissions at Tropical World the result was a 150% increase set against the corresponding period in the previous year. This is within an existing indoor attraction so it is therefore prudent to assume that this could be achieved by introducing an indoor facility within an outdoor setting. The business case assumes an overall projected increase in visitor numbers on a seasonal basis with 150% in November to January and a tapered effect of 38% leading up to that in September/October and also in February.

4.7 Admission Price

- 4.7.1 A comparative analysis of similar farm attractions has been conducted and the comparative price for adults and children are set out in the following table.

Farm Attraction	Adult	Child	Notes
Ash End House Farm, Tamworth	8.50	13.50	Under 1 year old free
Brimham Rocks Adventure Farm	5.00	5.00	1 year and under are free
Cannon Hall Farm, Barnsley	8.95	8.95	1 year and under are free
Hesketh Farm Park, Bolton Abbey	6.00	6.50	1 year old £3.50 with under 1 free
Pink Pig Farm, Scunthorpe	5.00	5.00	Under 2 pay £2
Ponderosa Zoo, Heckmondwike	6.75	5.50	2 years and under are free
Swithens Farm, Leeds	6.00	6.00	2 years and under are free
Thornton Hall Country Park, Skipton	7.00	7.50	1 year old £4 with under 1 free
Average	6.65	7.24	

- 4.7.2 Based on the above analysis a price point of £7 for adults and children would be justified or even more given the level of discounts available to Leeds card holders and 'Extra' card holders. On the basis that the market can sustain the entry price indicated in the above table a more moderate figure of £6.50 for adults and £6.50 for children has been used to illustrate income projections. The entry fee for children assumes this is applied for those 3 and over (an older age group than used in comparative attractions). The fund for children in deprived communities provides a unique opportunity to potentially allow those most in need to enter for free on a targeted basis. It is proposed that admission prices and the implementation of the fund would be assessed in more detail ahead of opening the attraction and subject to a separate decision.

4.8 Projected Growth

- 4.8.1 Assuming an average growth of 34% in visitors with an admission price below the market average the business case assumes that £296k income growth can be achieved. The overall projected financial position is as follows taking into account additional costs associated with running the indoor facility.

Projected Post Opening	Budget	Projected	Variation
	£	£	£
Income			
Admissions	-264,350	-500,508	-236,158
Livestock and meat sales	-33,220	-34,940	-1,720
Total	-297,570	-535,448	-237,878
Expenditure			
Staffing	198,700	210,803	12,103
Utilities and premises	14,160	18,659	4,499
Farm operating costs	106,200	95,061	-11,139
Publicity and promotion	3,310	25,000	21,690
Transport and plant	3,960	11,822	7,862
Attraction operating costs	326,330	361,345	35,015
Net Position	28,760	-174,103	-202,863

4.8.2 This demonstrates a £203k budget contribution to meet borrowing costs associated with developing the attraction. In addition to admission income there is income associated with running the retail and café facility along with costs associated with staffing and running the building. One benefit of an indoor attraction is that it is likely that most people who visit will want to spend some money in the café and retail. It is assumed that a further £75k each year can be generated from the café and retail facility taking account of additional staffing requirements and meeting costs associated with running the building.

4.9 Investment

4.9.1 The old cow byre is set in the core of the historic buildings at Home Farm, Temple Newsam. As buildings at Home Farm are grade II listed, NPS Group has been commissioned to progress the project to a detailed design stage taking account of the importance of restoring and sustaining heritage buildings along with the challenges that this presents.

4.9.2 A cost report to RIBA design stage 2 has been provided by NPS Group and identifies a capital cost of £2.580 million to carry out all construction works, fixtures and fittings to secure the future of the heritage building, which as indicated cannot be used in its current condition. It is important to emphasise that the farm attraction is set within a range of Grade II listed buildings and there is therefore an imperative to find a solution that secures a viable use for these buildings. In addition, the cost of the indoor play equipment is estimated at £350k with furniture and equipment of £250k and £500k for general farm improvements (a total of £1.1 million). The majority of these costs are infrastructure related and £3.430 million is proposed as subject to 30 year prudential borrowing, with £250k furniture and interpretation related projected over a 10 year borrowing period. This represents annual borrowing costs of £175k and £29k respectively, a total of £204k.

4.10 Fund for Children in Deprived Communities

4.10.1 This proposal provides an opportunity to provide a fund to help children in deprived communities. It is therefore planned as part of the business case to allocate 10% of the gross surplus allowing support for families to access the attraction as well as allocate funds within deprived communities to help deliver improvement projects that benefit children. The flexibility to use a fund in this way is important in both

enabling families to access the attraction as well as implementing a charge for those that can afford a commercial rate.

4.11 Summary of Capital and Revenue

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2022 £000's	FORECAST				
			2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	3042.0	3042.0					
FURN & EQPT (5)	250.0	250.0					
INTERNAL DESIGN FEES (6)	388.0	388.0					
OTHER FEES / COSTS (7)	0.0						
TOTALS	3680.0	3680.0	0.0	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)							
	TOTAL	TO MARCH	FORECAST				
	£000's	2022	2022/23	2023/24	2024/25	2025/26	2026 on
		£000's	£000's	£000's	£000's	£000's	£000's
LCC Corporate Borrowing	3680.0	3680.0					
Total Funding	3680.0	3680.0	0.0	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE EFFECTS	2022/23 2020/21 £000's	2023/24 2024/25 Subsequent years £000'S
NET BUDGETED SAVING IMPROVEMENTS TO FARM ATTRACTION	-202.9	-202.9
NET INCOME FROM CAFÉ AND RETAIL	-75.0	-75.0
PRUDENTIAL BORROWING COSTS	204.0	204.0
ANNUAL FUND TO SUPPORT CHILDREN IN DEPRIVED COMMUNITIIES	7.4	7.4

4.12 Legal implications, access to information, and call-in

4.12.1 The decision requested in this report is key and eligible for call-in, in line with the Council's Executive and Decision Making Procedure Rules. There are no issues associated with access to information. Planning permission will be required for this proposal which will also be subject to a listed building consent.

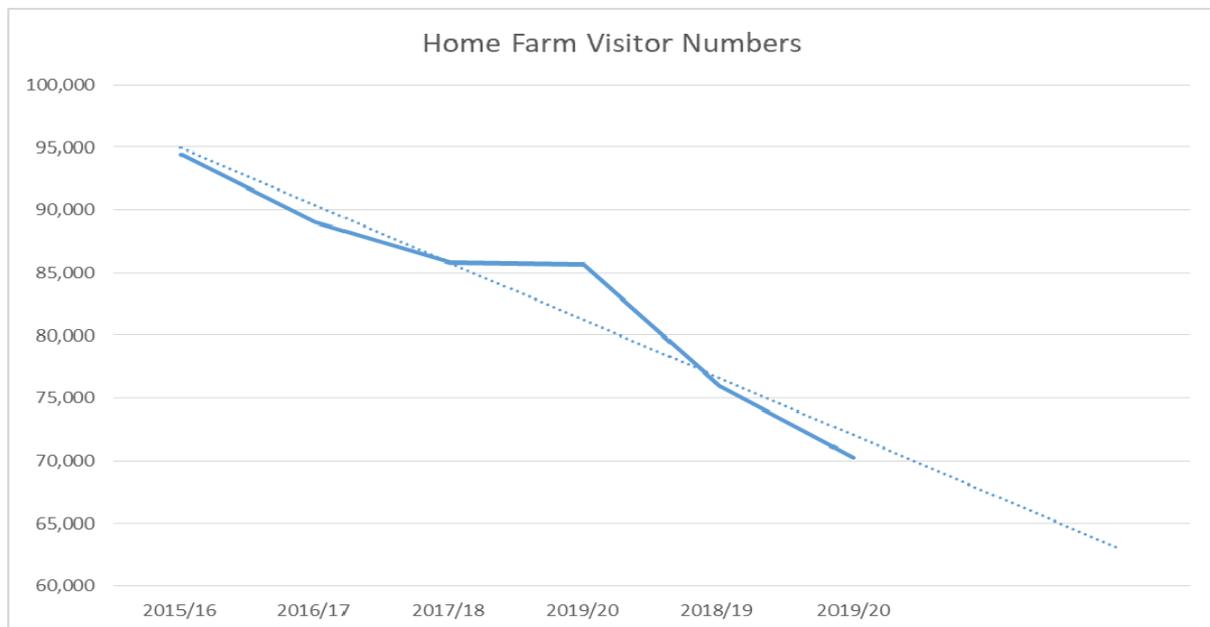
4.13 Risk management

4.13.1 This report highlights an opportunity to conserve and transform heritage buildings to develop an all year round visitor attraction at Home Farm, Temple Newsam. This will be achieved by creating an indoor play barn, café and retail facility within the heart of the existing farm attraction. This report sets out the business case to achieve a financially sustainable future for the buildings, improve visitor experience as well as continue to conserve rare breeds based on reasonable assumptions of future growth based on past experience of developing other attractions in the city.

4.13.2 The building proposed for development into a play barn cannot be used in its current condition but has a heritage value and could not for example be considered for demolition or disposal. It is important to emphasise that the farm attraction itself is set within a range of Grade II listed buildings and there is therefore an imperative to find a solution that secures a viable use for these buildings. The investment will

restore heritage assets, improve the visitor offer to develop a sustainable future for both the heritage and financial viability of the Home Farm attraction.

- 4.13.3 There is a serious risk associated with 'doing nothing' as a failure to invest in the attraction is likely to see a pattern of continued decline. The following graph projects the potential decline since 2015/16 further and illustrates that visitor numbers could reduce to around 63,000 in two years if the existing pattern of decline continues.



- 4.13.4 Whilst indoor play areas can now open, it is recognised that there are concerns associated with the impact of COVID-19. The uncertainty as to how indoor attractions will develop given the potential future prevalence of coronavirus is a matter of some concern. Given this uncertainty it is proposed that Executive Board note the investment required and agree in principle to proceed with the scheme subject to a review before award of tender anticipated in February 2021.
- 4.13.5 This review will consider the guidance in place at the time on the operation of indoor play areas and in particular the impact on enhanced cleaning and implementing social distancing. The facility will of course already be subject to robust cleaning measures but it is likely that this will need to be supplemented with regular cleaning of high contact surfaces. Social distancing measures would mean that the overall capacity of the facility would be reduced with some form of booking system to control admission numbers. Given that the projected growth in the business case is limited in scale (to a number already experienced without an indoor play facility) there is already scope to achieve financial objectives without operating at full capacity. It should also be noted that the indoor play area would be a part of an overall farm visitor experience in an outdoor setting to further help manage demand for the indoor element of the attraction.

5. Conclusions

- 5.1 This proposal presents an opportunity to conserve and reinvigorate a heritage asset by introducing a play barn in keeping with the education and recreational aims of the current farm attraction. The café will attract family visitors and ease demand on the existing courtyard café as well as increase its appeal to general park visitors. The play barn will appeal to older children currently less likely to visit and providing an indoor facility within the existing attraction will encourage visits all the year round. The growth in visitors and associated financial impact has been based on reasonable assumptions and the addition of a fund to help children in deprived communities provides a further example of enacting a compassionate city.

6. Recommendations

- 6.1 Executive Board is requested to approve the following:
- To implement proposals contained in this report subject to a review conducted before award of tender (anticipated in February 2021) to assess the potential impact of COVID-19.
 - To agree in principle to inject £3.68 million investment into the capital programme and delegate authority to spend approval of the full scheme to the Director of Communities and Environment following the review in February 2021.
 - To note that the Chief Officer Parks and Countryside will be responsible for implementation of the scheme.

7. Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.