

5. NORTH LEES ESTATE BUILT ASSET PROPOSALS (ES)

1. Purpose of the report

This report presents a summary of proposals for changes to the management of built assets on the Estate and seeks approval for investment to maximise the contribution made by the estate's built assets to the Authority's statutory purposes, corporate strategy outcomes and financial sustainability.

Key Issues

- **This proposal responds to one of the four key element of the Vision for Stanage North Lees – Resources: “The Estate’s assets, including landscape, buildings and facilities will be used to best economic effect within the overall context of sustaining long term environmental, financial and access objectives”.**
- **A long-term plan is presented for the built assets, based on an appraisal of options, consultation feedback from both visiting and resident communities and detailed financial evaluation**
- **The proposal will restore important cultural heritage features, enhance the visitor experience and generate new income.**
- **The plan requires capital investment over £150,000 and therefore approval of the Programmes and Resources Committee**

2. Recommendations

- 1. Members note the revised draft management plan and proposal for assets that form part of the Stanage-North Lees Estate**
- 2. Members approve capital expenditure of £169,560 in relation to the refurbishment of Cattisside Cottage**
- 3. Members approve finance from borrowing of a total sum £305,560 to include the expenditure required for the refurbishment of Cattisside Cottage (2. above) and the installation of renewable energy systems to North Lees Hall and Campsite.**
- 4. Authority to make applications under the Town and Country Planning Act 1990 and the Planning (Listed Building and Conservation Areas) Act 1990 for planning and listed building consent in relation to this proposal be delegated to the Head of Asset Management in consultation with the Corporate Property Officer and Planning Manager**
- 5. Authority to enter into contracts in excess of £150,000 for the refurbishment of Cattisside Cottage be delegated to the Head of Asset Management in consultation with the Head of Law and Chief Finance Officer**

3. How does this contribute to our policies and legal obligations?

Corporate Strategy Outcome: A Sustainable Landscape that is Conserved and Enhanced

- **KPI8 Increased knowledge, understanding and engagement with archaeology, historic structures and landscapes**
- **KPI9 Increase the percentage of Scheduled Ancient Monuments and Listed**

Buildings conserved and/or enhanced

Corporate Strategy Outcome: A National Park Loved and Supported by Diverse Audiences

- KPI13 Increase the Authority’s sustainable income stream
- KPI12 Increase the public connection with the Peak District National Park

Corporate Strategy Outcome: An Agile and Efficient Organisation

- **Our well-maintained assets support the delivery of our landscape, audience and community outcomes**

The Corporate Property Asset Management Plan (2020-2024) recommends, “that the following properties be investigated in order to identify the most appropriate management action in the next 2 to 3 years:

1st Warslow Moors Estate

2nd Aldern House

3rd Fieldhead (Edale)

4th North Lees/Stanage Estate

5th Other properties”

In relation to Stanage North Lees specifically the Plan states, “A review of the property is currently underway to ascertain whether more income can be raised from the various ‘components’ of the Estate. This may necessitate some capital investment to achieve but any such investment would be achieved through a borrowing arrangement and/or external funding.

Once this review has been completed, it will also be possible to examine whether the disposal of any of the component parts of the property could be considered which would not be to the detriment of the Estate outcomes including its financial viability. The proceeds of any disposal could be used to reduce the cost of the capital investment in the Estate.”

This report makes recommendations, following the review referred to in the Asset Management Plan, for the future use of the buildings at North Lees that will ensure long-term financial sustainability and improved management of these heritage assets.

Authority powers: In addition to the Authority’s express power to provide camping facilities, the Authority has the implied power to take such actions that are calculated to facilitate, or is conducive or incidental to, the accomplishment of s5(1) purposes, in this case being the purpose of promoting opportunities for the enjoyment of the special qualities of the National Park.

4. Background Information

Stanage-North Lees is a 542ha. estate located close to Hathersage in the Dark Peak and includes moorland, rock edges, woodland and farmland. The scenic value is exceptional. The dramatic rock scenery of Stanage Edge is set in wild

open moorland with views to the pleasant rural landscape surrounding North Lees Hall and the farm below. As well as being popular with local residents, Stanage is only 6 miles from Sheffield (the UK's fifth largest city). The property receives over half a million visitors per year and people come to enjoy a whole range of activities including: climbing, walking, camping at the Authority's campsite, cycling, picnicking, horse riding, hang-gliding, para-gliding, bird watching or simply enjoying the amazing wildlife and literary heritage.

Stanage-North Lees affords opportunities for visitors to be actively engaged in energetic pursuits or for quiet enjoyment. It is especially important for walking as an area of open access and for climbing for which it is regarded as the birthplace of the sport. Stanage Edge has over 1200 identified routes of different grades and is internationally famous for bouldering. It is also a valued film venue. A short walk from Stanage Edge is [North Lees campsite](#).

Numerous school and outdoor education groups visit the property for sports, landscape and wildlife studies as well as the demonstration of good practice in landscape management, key to which is the farm tenancy.

The land supports internationally important heather moorland and blanket bog, designated as a Site of Special Scientific Interest, Special Area of Conservation and Special Protection Area. It also has a mixture of native broad-leaved and coniferous woodlands and flower rich grasslands. The whole landscape has been influenced by man and contains a wide range of interesting features, four of which are Scheduled Ancient Monuments. These include the remains of a Catholic Chapel, a Romano-British settlement and Bronze Age sites. Interesting buildings include traditional farm buildings (Cruck Barn – Grade II Listed) that predate the 16th century [North Lees Hall](#) (Grade II* Listed) which has literary associations with the novel “Jane Eyre” by Charlotte Bronte. Listing status of the Cruck Barn and Hall are included as Appendix 1 to this report.

At the top of the long causeway (public right of way) Stanage Pole can be found on the boundary with South Yorkshire and Sheffield.

The geographic location and accessibility of the Estate, along with its natural beauty and topography, offer an exciting and interesting proposition for diversification, although it is clear in considering these, that the purposes of the Authority must be met and any impact on both the local and recreational communities fully considered.

Business Need

The Authority considers this property to be of strategic importance to the fulfilment of its purposes, however it also has aspirations for the Estate to achieve full-cost recovery. In 2019 the estate generated a surplus of £12K above its current cost recover target, achieving 100% full cost recovery against the annual revenue budget. In this case, full cost recovery means the direct annual operating cost plus the element of Authority support service costs apportioned to the estate. This is largely the result of increased revenue from the campsite, the car parks and the residential rental of the hall.

Following condition surveys of all of the Authority's assets for the first time, there is a clear picture of the longer term maintenance costs for the Estate. In order to be truly financially sustainable this expenditure must be planned for and

built into future revenue budgets.

The Authority has set out its ambition to achieve significant reductions in carbon emissions, detailed in the Carbon Management Plan 2 (Programmes and Resources Committee minute 24/20). Reducing carbon emissions from heritage properties can be challenging and is unlikely to be financially advantageous. In order to fund the installation of renewable energy technology at North Lees, it will be necessary to generate surplus income from other activities on the Estate.

The draft Estate Management Plan demonstrates that there is scope and significant public support for achieving much more at North Lees for wildlife, heritage and access. Funding is the limiting factor to what can be achieved.

By utilising the built assets to generate increased income the Authority will be able to fund: better management and restoration of heritage assets; introduction of renewable energy technology leading to reduced carbon emissions; increased conservation work and engagement activity.

The built assets in Authority ownership are shown on the plan included as Appendix 2 and comprise:

- North Lees Hall, currently split into two separate dwellings and let on short-term residential tenancies
- Cattisside Cottage, currently unoccupied
- Cruck Barn, currently unused
- Modern Farm building let to the farm tenant
- Hollin Bank toilets and Ranger briefing room. The toilets are in use but the Ranger Briefing Centre is no longer utilised.
- 5 car parks known as Surprise View (P&D), Hollin Bank (P&D), Upper Burbage Bridge (free), Hooks Carr (free) and Dennis Knoll (free).

Walk-through films of the Hall (east wing only), Cattisside Cottage and the Campsite have been created with the purpose of aiding decision-making for those Members not familiar with the properties. Links are provided below.

Hall East Wing - <https://youtu.be/TKddVeWkbQk>

Cattisside Cottage - <https://youtu.be/jY9yTPWNJOU>

North Lees Campsite - <https://youtu.be/GLGhnFEaq2Y>

The current tenants of the west wing of North Lees Hall requested that a film of the property was not included in this public report, for reasons of privacy. This wish must be respected. However, earlier photos are included in Appendix 7, which may be useful.

Prior to 2015/16 the Hall had been let on a long-term arrangement to the Vivat Trust and was included in their holiday accommodation portfolio. The Authority had minimal involvement during that period. However, the Vivat Trust was liquidated and the property handed back to the Authority. Since that date it has been let as residential accommodation whilst an appropriate long-term use for it

was sought.

The tenancy agreement for the west wing of the Hall (tower) includes provision for the tenants to operate a bed and breakfast business, which they have done utilising one of the rooms whenever Covid-19 movement restrictions have permitted.

The east wing is let to the son of the North Lees Farm tenant but is not linked to the farm tenancy. The farm tenant has highlighted the convenience of this arrangement in the management of livestock. The farm tenant and his family have been proactive in managing visitors to the Estate, particularly during the exceptional conditions last summer when they worked hard to discourage verge parking and other forms of antisocial behaviour. The farm business tenancy ends in September 2022 with the option to extend to September 2024.

Both tenancies are renewed on a 3 monthly basis and both tenants have expressed an interest in a more permanent arrangement.

In 2017 the Authority-owned Cattisside Cottage became vacant. Unfortunately, the property had reached a dilapidated condition due to a lack of maintenance by the Authority. It is currently considered uninhabitable.

The Cruck Barn has significant heritage value but is unsuitable for modern farming. It has been practically redundant for many years and the protections attached to it present a challenge in identifying any potential use. However, it continues to require regular maintenance in order to conserve it in its current condition.

Hollin Bank toilets are a vital resource in such a heavily-visited location. The nearest other public conveniences are in Hathersage. The Ranger briefing room has no source of power or heat and consequently is used for storage only.

The car parks are managed as part of the Estate and in addition to assisting traffic management, contribute vital revenue income but share the Authority-wide approach to tariff structure. A separate report to this Committee today makes recommendations for updating Park-wide car park management arrangements, including introducing a charge for the Hooks Car, Upper Burbage Bridge and Dennis Knoll sites, which are currently free of charge.

The PDNPA's vision for the Estate (2015-2025) is set out in its management plan, developed in partnership with the Stanage Forum Steering Group. The steering group operates as the Authority's voluntary partner in the management of the Estate and represents the views of the many and diverse users of the Estate encompassed by the Stanage Forum. Further information on the work of the Forum can be found [here](#).

Estate Vision:

To care for, enjoy and promote understanding of the Stanage North Lees Estate in a sustainable way which respects and enhances wildlife, heritage and landscape for everyone, forever.

Changes of staff have delayed the development of the Management Plan but this has recently been reviewed by the Estate Ranger, working with the Steering Group. A draft of the plan is included as Appendix 3.

During 2019, due to vacancies in the structure and to obtain a useful, external

perspective, the Authority commissioned consultants to appraise the resources element of the Estate vision and in particular the ambition that “The estate’s assets, including landscape, buildings and facilities, will be used to best economic effect within the overall context of sustaining long term environmental, financial and access objectives”. The appraisal resulted in a report identifying potential options to increase net income from the Estate whilst maximising its contribution to the fulfilment of PDNPA purposes and Corporate Strategy outcomes.

No recommendations are identified in relation to the management of land. The current arrangement of farming in accordance with a Countryside Stewardship Agreement is understood to achieve the best financial and conservation value for the Estate. This will be reviewed when details of the new Environmental Land Management Scheme are revealed.

The options presented in relation to the built assets were further refined through internal evaluation and a thorough consultation exercise was carried out during winter 2019 and spring 2020. The consultation activities comprised

- Online public consultation promoted via PDNPA media channels
- Facilitated workshops with specialist staff, local residents, Parish Council representatives and recreational user groups.

The consultation report and supporting documents can be viewed on the [website](#).

Responses to the consultation have influenced the proposals and recommendations contained in this report and engagement with the Stanage Forum Steering Group has continued throughout 2020/21.

Options for change are governed or influenced by a number of additional parameters summarised as:

- Financial constraints on investment
- Sustainability
- National Park Authority’s statutory powers
- Stanage Forum Steering Group’s suggested principles (Appendix 5)
- Heritage considerations
- Future maintenance requirements

The value of heritage assets

Heritage Counts, the annual publication by the Historic Environment Forum, has shown that 87% of people believe that better quality public buildings and public spaces improve quality of life; 90% believe that investment in the historic environment made their area a better place; and 92% believe that investment in historic-led regeneration raised pride in their area. The following is an extract from that report.

“Heritage is important for a variety of reasons, including:

Sense of place – heritage provides the unique character that helps to make communities distinctive

Economic prosperity – heritage attracts visitors and these in turn help to bring wealth and prosperity to an area

Regeneration – heritage can support the revitalisation of deprived areas through their character, location and use

Civic pride – heritage contributes to a sense of pride. The legacy of the past reinforces our history and this sense of pride

Sustainability – physical life of heritage assets is often greater than their functional life – bringing them back into use is an effective use of resources

Education – opportunities to access and understand heritage can have a positive impact on learning and attainment

Leisure and tourism – heritage can provide a focus for leisure activities from simply visiting and enjoying a place to providing a focus for detailed research and interpretation

Health and well-being – exploring heritage helps people in maintaining a healthy physical life-style and can help to reduce stress and mental health issues”

The National Park Authority owns a number of significant heritage assets and a concentration of these is situated at Stanage North Lees. It is not only responsible for the cost and maintenance of these assets but also has a role to play in demonstrating good practice and advocating for heritage awareness.

5. Proposals

The options appraisal commissioned in 2019 identified significant potential for holiday accommodation on the Estate due to its picturesque, unique location, attractiveness to visitors and proximity to other attractions within the Park.

Public consultation identified this option as the most favourable of the possibilities identified.

It is proposed to utilise the Hall and Cattisside Cottage as holiday lets to broaden the accommodation offer already provided by the Campsite. This will generate the highest possible level of revenue income from them in order to support the Estate as a whole whilst maximising opportunities for public engagement with the historic buildings and the National Park.

The economic wellbeing of local communities will benefit from increased visitor spend in the local area.

A unique visitor experience will be provided through the opportunity to stay in a Grade II* Listed hall situated in a stunning landscape. At present only the tenants of these properties enjoy this opportunity, which does not provide the public benefits that the Authority should be aspiring to achieve, as articulated in the Corporate Strategy.

Additional opportunities include:

- Potential to provide heritage open days and other non-commercial engagement activities by reserving periods from the booking calendar
- Interpreting the landscape and promoting positive behaviour messages to guests as part of the booking information provided.
- Promoting the efforts made to improve the environmental performance of the properties on the estate while preserving and enhancing their heritage value

- Promoting local products and attractions through provision of a guest welcome pack
- Promoting the work of the Peak District National Park Foundation to guests, encouraging support for the place
- Providing the opportunity to participate in engagement and/or volunteering activities as part of a stay

There is currently a high level of demand for holiday accommodation in the UK, which should deliver a quick uptake and awareness, leading to repeat bookings.

The proposal is for a phased approach that will minimise financial risk to the Authority and is within the capacity of its existing staffing arrangements.

Phase 1

Quarter 1 2021/22

Commence extensive refurbishment of Cattisside Cottage to be complete and ready to let as 2 bedroom holiday accommodation by Quarter 1 of 2022/23 utilising an online booking portal and operated via the North Lees campsite office.

The refurbishment project will include replacement of the out-dated back boiler heating system with an air source heat pump to reduce future carbon emissions from the property.

Carbon emission reductions of 5845kg CO₂e will be achieved by replacing the existing coal fired system with an air source heat pump and zero-carbon electricity contract at Cattisside Cottage.

Quarter 3 2021/22

During the quieter, winter months commence refurbishment of the washroom and washing up facilities at North Lees Campsite including provision of heating in the washroom facilities to encourage longer stays and increased off-peak bookings. This project will include the installation of solar PV on the roof of the campsite building and an air source heat pump to meet hot water and heating demands (subject to obtaining appropriate planning permissions).

It is predicted that a 10% increase in income should be achievable, based on industry standards. A comparable saving of £2,824p.a. will be achieved by utilising renewable technology.

There will be no reduction in carbon emissions since the campsite will be included in the Authority's zero-carbon electricity contract but the property will use significantly less energy than it would if improvements were made without installation of renewable energy technology.

Phase 2

Quarter 4 of 2022/23

Review performance of Cattisside Cottage holiday lettings against projections and providing those are shown to be accurate begin the process of ending residential tenancies at the Hall.

If financial projections are found to be optimistic it is recommended that Cattisside Cottage be let on a residential tenancy, thereby securing a sustainable source of income to support the estate. Similarly, the two dwellings comprising the Hall would continue to be let on a residential basis.

Quarter 1 of 2023/24

Carry out basic refurbishment works to the two dwellings comprising the Hall and commence letting both properties during Quarter 2 as holiday accommodation.

Both properties, managed in-hand, can be included in the Authority's zero-carbon electricity contract thereby achieving a reduction in carbon emissions of 2880kg CO₂e p.a.

Phase 3

Quarter 1 of 2024/25

Necessary expenditure on restoring the roof of the Cruck Barn to address sagging timbers.

Quarter 4 of 2024/25

Review performance of the holiday lettings against projections and providing those are shown to be accurate, carry out extensive refurbishment of North Lees Hall, restoring it to its a single unit and replacing the existing heating systems to maximise the use of renewable energy. This will include installation of a ground source heat pump and solar PV unit (subject to obtaining necessary planning permissions), achieving no cost saving but a reduction in carbon emission of 26,424kg CO₂e p.a.

The financial return on large capacity holiday accommodation is proportionally greater than on smaller properties. As a single unit the Hall will generate increased income, in addition to achieving heritage gains.

By phasing the project the financial risk to the Authority is minimised and the timescale indicated above will enable the necessary, thorough archaeological investigations to take place in the field adjacent to the Hall prior to installing the ground source heat pump. There is a possibility that the part of the land adjacent to the Hall may contain the remnants of a 16th Century garden. It will be necessary to investigate this with the use of geophysical surveys initially. This is an aspiration of the Stanage North Lees Heritage Action Group and that group will be involved as fully as possible in the surveying/investigation activities. The cost of specialist surveying is included in the cash flows for Strategies 1 and 2.

Phase 4

There is currently no future use identified for the Cruck Barn following the appraisal of options, consultation exercise and financial analysis work. Various suggestions have been made but would not be financially viable without significant external funding.

The fourth phase of this proposal is further investigation of the opportunities to bring the Cruck Barn into an alternative use and of the potential for securing

external funding.

Potential Demand

Marketing Peak District and Derbyshire has been conducting regular consumer surveys to determine the effect of the pandemic on consumers to date and confidence in the tourism market post-Covid 19.

Respondents to the survey have not been significantly financially affected the pandemic with only 5% stating that they have been “hard hit”.

52% of respondents took a UK overnight break following the lifting of the first lockdown with the most popular destination being the countryside or a village.

Consumer confidence in taking a holiday in the UK over the summer of 2021 is very high and a dramatic shift to spending on leisure activities and holidays is anticipated from early summer.

This evidence of demand indicates that 2021 is an advantageous time to introduce a holiday letting business.

Alternatives

For the purpose of evaluation, two alternative Strategies (Strategy 2 and 3) have been considered and evaluated against the above proposal (Strategy 1). These are summarised below along with an assessment of the strengths and weaknesses of each approach.

STRATEGY	STRENGTHS	WEAKNESSES
1 Change of use of the Hall to holiday accommodation, refurbishment of Cattisside Cottage as holiday accommodation and improvements to the campsite facilities, maximising use of renewable energy technology throughout.	<ul style="list-style-type: none"> • Achieves greatest contribution to Corporate Strategy outcomes (see table below) • Financially most advantageous by year 7 • Greatest carbon emission reduction achieved • Cattisside Cottage brought back into use • Long-term financial sustainability achieved • By retaining control of assets the flexibility to change strategy is maintained • Meets current demand for holiday accommodation • Surplus revenue to fund management plan aims or future match- 	<ul style="list-style-type: none"> • Untested business model for the Authority • Possible increase in management effort • No future plan identified in relation to Cruck Barn • Current residential tenants will be disappointed • Farm tenant will have less presence on site after 23/24.

	<p>funded bids in relation to the Cruck Barn</p> <ul style="list-style-type: none"> • Reputational benefits in relation to campsite operation 	
<p>2 Continue to let Hall on residential tenancies, refurbishment of Cattisside Cottage as holiday accommodation and improvements to the campsite facilities, maximising use of renewable energy technology throughout</p>	<ul style="list-style-type: none"> • Achieves median contribution to Corporate Strategy outcomes • Financially sustainable • Achieves significant carbon reduction, slightly below that achieved by Strategy 1. • Cattisside Cottage brought back into use • Maintains flexibility with regard to future use of Cattisside Cottage • Meets current demand for rental property • Potential to increase rental value by increasing length of tenancy and encouraging tenant diversification (unquantified) • Reputational benefits in relation to campsite operation 	<ul style="list-style-type: none"> • No or very restricted public access to Hall • Little surplus revenue to fund management plan aims or future match-funded bids in relation to the Cruck Barn • Achieves low contribution to Corporate Strategy outcomes. • Return on investment less favourable than for Strategy 1 over the longer-term • Less flexibility with regard to use of Hall for engagement activities
<p>3 Continue to let the Hall on residential tenancies and carry out required maintenance only to all built assets.</p>	<ul style="list-style-type: none"> • Financially sustainable • Reduced management input • Potential to increase rental value by increasing length of tenancy and encouraging tenant diversification (unquantified). 	<ul style="list-style-type: none"> • No reduction in carbon emissions achieved • Cattisside Cottage remains unused – possible disposal. • Reputational damage due to lack of public access to heritage assets. • Campsite facilities of a lower standard when compared with market • Achieves low contribution to Corporate Strategy outcomes.

Evaluation against Corporate Strategy Outcomes

In order to provide a basic comparison each of the three strategies described above has

been ranked 1-3 based upon the contribution that it makes towards the Authority's Corporate Strategy Outcomes, with 3 being the greatest contribution, 1 being the least and 0 indicating none. By totalling the scores an indication of the best fit approach can be gained. The highest score represents the best fit with the Authority's desired outcomes.

Strategy	CO2e reduction	KPI8	KPI9	KPI12	KPI13	TOTAL
1	3	3	3	3	3	15
2	2	1	2	1	1	7
3	0	1	1	0	2	4

Are there any corporate implications members should be concerned about?

Financial:

A detailed cash flow forecast and explanatory notes in relation to each the 3 strategies is included as Appendix 4.

The capital strategy 2015/16-19/20 identifies a potential £300,000 investment in the Estate, financed by borrowing to deliver "Visitor experiences that inspire: developing the vision for the estate and achieving the full cost objective".

There is a specific reserve fund allocated to the Stanage North Lees Estate with a balance of £90,000.

Funding for the proposal will be achieved from a combination of the Estate specific reserve and borrowing against future income.

Budget costings included in Appendix 4 show the capital expenditure required in relation to each phase of the proposal:

Phase 1 is £207,560

Phase 2 Revenue expenditure only

Phase 3: £146,000 (including necessary forecast expenditure on Cruck Barn roof)

Phase 4: currently unknown

Giving a total capital investment of £353,560 over the next 4 years.

The investment required to introduce parking charges to 3 identified car parks (£24,000) will be exceeded by the resulting increased income within the same financial year and as such will be funded from the annual revenue budget rather than through borrowing against future income and so is not included in the capital investment total above.

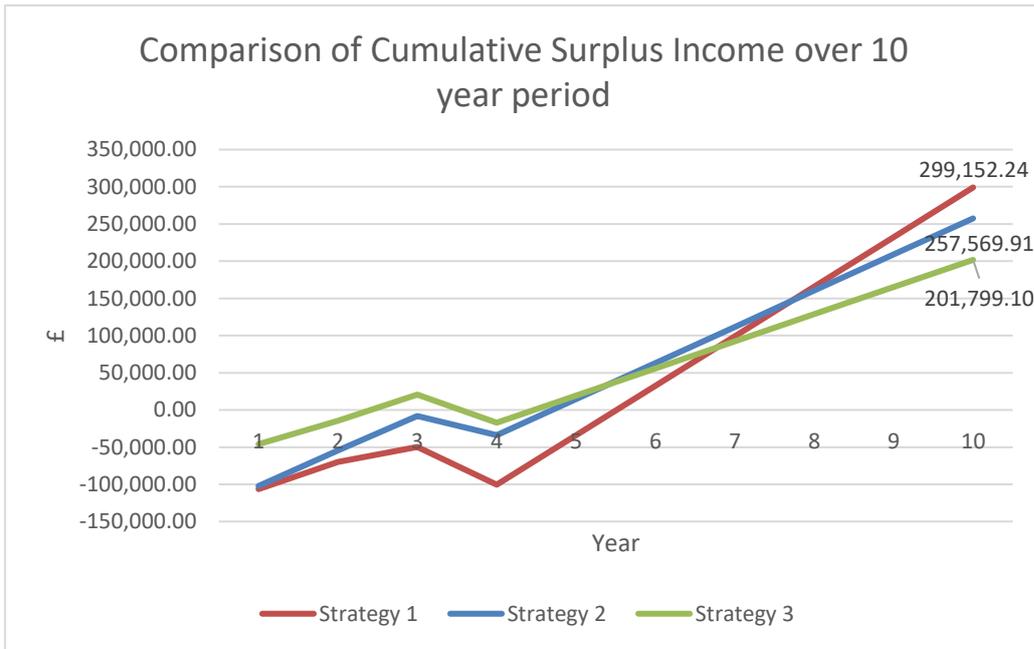
The specific reserve of £90,000 will be used to cover elements of the capital expenditure total that are not included in the required borrowing sum.

The estate revenue budget is anticipated to fund a further £48,610 over the same 4 year period bringing the total expenditure to be funded from borrowing to £305,560. Loan repayments are included in the cash flow forecast appendices.

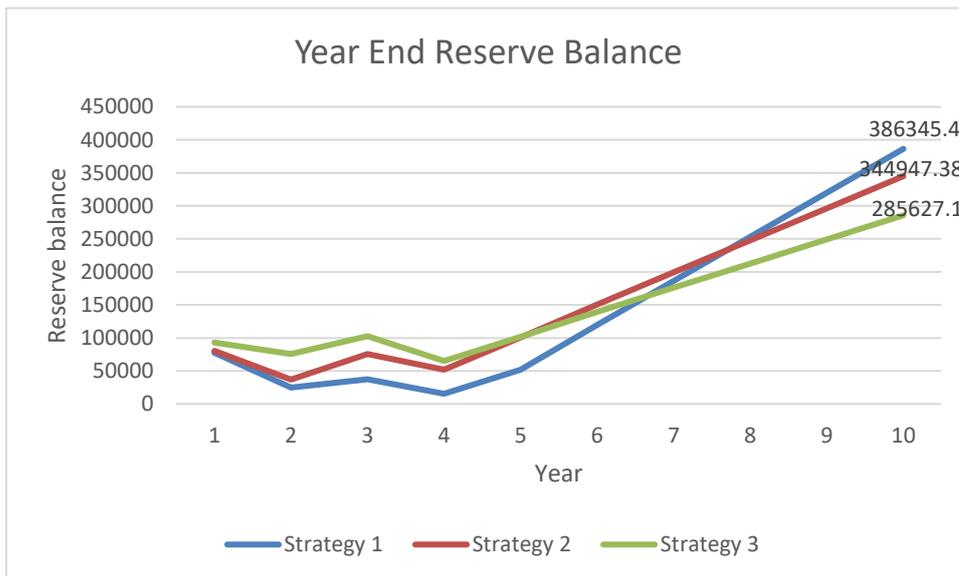
The cost of required work identified by condition surveys has been built into each scenario. This includes the significant capital cost of reroofing the Cruck Barn, anticipated to be required in 2024/25. This work is required regardless of the chosen strategy.

The graph below shows a comparison of the cumulative cashflow surplus/deficit for each

strategy over a ten year period.



The graph below shows that the proposal is achievable within the finance available. By comparing the reserve balance at year end it can be seen that the estate remains in a positive financial position.



The table below provides a summary of the financial and carbon savings projections and contribution to Corporate Strategy outcomes for each scenario by year ten. Against each of these measures it can be seen that the proposal (Strategy 1) achieves the greatest impact.

Scenario	Cumulative cash surplus (£)	Carbon saving p.a. on completion of capital works (kg CO2e)	Corporate Strategy contribution
1	229,152	35,149	15
2	257,569	32,269	7
3	201,799	0	4

Risk Management:

- The estimates of potential income in relation to holiday accommodation have been provided by the Europe's largest holiday letting agent, Awaze (incorporating Cottages.com, Landal, James Villa Holidays, Novasol and Hoseasons). These figures are based on the number of beds/baths, location and facilities provided. This is the most reliable estimate of income that can be achieved but this cannot be absolutely guaranteed. For example, they do not account for the special characteristics of such a unique property as North Lees Hall, which could command a higher rental charge than average. Alternatively, demand may not be as high as anticipated meaning that income forecasts will not be achieved. By adopting a phased approach the officers can carry out the following gateway reviews against the cashflow forecast:
 - 2022/23 Quarter 4 before committing operating the hall as holiday lets
 - 2024/25 Quarter 3 before committing investment to significant improvements to the Hall

If financial projections are proven to be optimistic and the first gateway cannot be passed then expenditure will be suspended and the Hall can continue to be let on a residential basis. The future use of Cattisside Cottage can be reviewed.

If the second gateway cannot be passed due to the holiday lets performing significantly below the forecast income levels then Hall can be re-let to residential tenants to ensure sustainable income, as projected in Strategy 2.

This approach minimises the financial risk to an acceptable level

A sale valuation of Cattisside Cottage has been sought in its current condition and in the event that it is refurbished. A local estate agent has advised that the property would be marketed at £500,000 in its present condition and £750,000 if refurbished. This valuation seems high but the uniqueness of the location is seen as a major appeal. These valuations give some reassurance that the investment in refurbishing the cottage will be recouped if disposal is considered to be an option at a later date.

- All costs associated with this proposal are based on estimates prepared by the Authority's Corporate Property Team and therefore do not include any contingency at this stage. Consultation on the proposal will be required as part of the permissions process for some of the proposed changes. There is a risk that required planning conditions could increase the total cost. In the event that the required expenditure exceeds the available funds specifications and phasing will be reviewed to deliver the project within the agreed limits.
- The existing electricity supply to the Hall is insufficient for the proposed Heat Pump but is due to be upgraded in 2022 by the distribution network operator. The proposed renewable technologies to all sites will be subject to an application to the network operator prior to installation and while the supply is thought to be sufficient, allowing the technologies to be installed is subject to approval so there is some risk that some of the proposed technologies will not be allowed. If this is the case then the proposals will be reassessed and alternative schemes devised.
- In-house capacity to deliver project is limited. Again, the phased approach will be achievable within capacity of the existing Asset Management Service. In

particular, Building Surveyor capacity to manage refurbishment works has been considered and should be adequate. If capacity in this area presents a challenge external support can be procured utilising a small budget that has been assigned to the Property Team for that purpose.

- In-house capacity to manage the holiday lets is anticipated to be available as part of the existing Campsite operation. The scope of this additional responsibility is limited to answering specific enquiries in relation to bookings, liaising with cleaning/changeover providers regarding bookings and providing a point of contact for guests during their stay. Given that the proposal creates only 3 additional lets, this is not anticipated to generate a significant workload. It is impossible to predict this until the properties become available. Should this estimate of resource requirements prove to be inaccurate, the campsite staffing rota will be increased utilising existing casual staff.

Sustainability:

- Financial and environmental sustainability of this proposal are covered in the above report and in Appendix 6.
- The Authority has developed an Environmental Indicator Scorecard to illustrate the current and potential environmental performance of an asset. Scorecard for Cattisside Cottage, North Lees Campsite and North Lees Hall. These are included as Appendix 6 and show the areas of improvement in environmental performance that will be achieved as a result of this proposal being implemented. While not all measures required to move from the 'current' to the 'potential' score/performance have been implemented, all those that are feasible within the scope of the project have and the proposal represents a significant move towards realising the potential for each property.

Equality:

- Not applicable

- **Climate Change**

1. How does this decision contribute to the Authority's role in climate change set out in the UK Government Vision and Circular for National Parks?
 - a. Educators in climate change

The use of renewable energy technology to power the estate will be interpreted for visitors to the holiday accommodation portfolio, thereby educating approximately 5344 visitors p.a. about carbon emissions and alternative, low emission energy sources. Detailed interpretations plans will be developed by the Authority's Marketing and Communications Team.

- b. Exemplars of sustainability

There is potential to use the proposed project to demonstrate how net reductions in carbon can be achieved with regard to heritage assets, whilst conserving their special characteristics.

The Authority will have an exemplar project through which to engage with others regarding best practice in carbon management

- c. Protecting the National Park

- d. **Leading the way in sustainable land management**
Surplus income generated by the proposed project will help to fund the aims of the Estate Management Plan, which seeks to demonstrate sustainable land management and exemplar wildlife conservation across the specially protected and internationally important landscape of Stanage North Lees.
- e. **Exemplars in renewable energy**
This proposal includes the installation of renewable energy in a number of forms provided in detail in Appendix 6. This presents an opportunity to demonstrate best practice in a number of settings including a commercial campsite, traditional building undergoing a significant refurb (Cattiside) and a heritage asset. The proposed renewable technologies have been selected to reflect best performance and minimal impact.
- f. **Working with communities**
Stanage-North Lees is managed by the National Park Authority in partnership with Stanage Forum which represents the views of the many and diverse users of the Estate. The Stanage Forum steering group is made up of representatives of the different communities of place and interest that have a stake in the Estate. This proposal has been developed through extensive consultation with the forum and the public more widely.

It is anticipated that the work of the Stanage North Lees Heritage Action Group will help the Authority to better understand the buildings in the landscape more widely and could help with developing ideas for the Cruck Barn.

2. **How does this decision contribute to the Authority meeting its carbon net zero target?**
The proposal will achieve a cumulative reduction in Carbon emissions of 264,933kg CO₂e by March 2031 when compared with the emissions currently produced by the Authority's built assets at Stanage North Lees Estate. An annual reduction in of 35,149kg CO₂e will be achieved upon completion of Phase 3 (year 5)
3. **How does this decision contribute to the National Park meeting carbon net zero by 2050?**
The above reduction in carbon emissions will make a small contribute to the National Park meeting carbon net zero by 2050. It is hoped that this work will also be used to demonstrate how net reductions in carbon can be achieved with regard to heritage assets, whilst conserving their special characteristics.

The Authority will have an exemplar project through which to engage with others regarding best practice in carbon management
4. **Are there any other Climate Change related issues that are relevant to this decision that should be brought to the attention of Members?**
None

- **Background papers (not previously published)**

None

- **Appendices**

Appendix 1 - Listing status of North Lees Hall and Cruck Barn

Appendix 2 - Map of the Stanage North Lees Estate

Appendix 3 - Draft Management Plan for Stanage North Lees Estate

Appendix 4 - Cash flow projections

Appendix 5 - Stanage Forum steering group principles

Appendix 6 - Environmental Indicator Scorecards

Appendix 7 - Photographs of North Lees Hall

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