

**CABINET – 15 JULY 2025****FUTURE OF BEAUMANOR HALL AND PARK****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****PART A****Purpose of the Report**

1. The purpose of this report is to set out the historic, current and future financial performance of Beaumanor Hall and Park (Beaumanor), as one of the Council's Traded Services.
2. Approval is also sought for the Director of Corporate Resources to be authorised to commence an engagement process to understand how the site might be enhanced in order to improve the financial performance, noting the current subsidy position as set out below and the potential impact on the Council's Medium Term Financial Strategy (MTFS).

Recommendations

3. It is recommended that the Cabinet:
 - (a) Notes the historic, current and future financial performance of Beaumanor Hall and Park;
 - (b) Notes the comments from the Scrutiny Commission;
 - (c) Authorises the Director of Corporate Resources to commence an engagement process with stakeholders to establish options to improve the future financial performance of the site.

Reasons for Recommendation

4. Beaumanor has always required a financial subsidy from the County Council. If nothing changes, the long term outlook for the site does not suggest that this position will materially change. It is therefore necessary to establish options to try to improve the financial performance of the site given growing pressure on the Council's finances.
5. The Scrutiny Commission at its meeting in March 2025, following consideration of an exempt report on the performance of Beaumanor,

requested its concerns regarding the future financial performance of Beaumanor be considered by the Cabinet.

6. An engagement process will allow the Council to work with the market, local community and schools to determine the right approach to remove the cost to the County Council and improve its financial performance to better support the Council's Medium Term Financial Strategy.

Timetable for Decisions (including Scrutiny)

7. An engagement exercise with customers will commence in August 2025 for eight weeks. It will be considered by the Scrutiny Commission at a future meeting. The results of the engagement will be considered by Cabinet at a future meeting.

Policy Framework and Previous Decisions

8. With the continued financial pressure on the Council, the requirement to raise additional revenue has been specifically included in the County Council's Medium Term Financial Strategy (MTFS) for the past few years.
9. A Scrutiny Review Panel commenced a Review of Traded Services in June 2014, the findings of which were reported to the Cabinet on 19 November 2014. The Cabinet accepted the recommendations of the Panel and asked the Chief Executive to ensure that they were acted upon. These included further development of the Council's traded services, consolidation of the portfolio, and establishing a dedicated marketing resource.
10. The Commercial Strategy was subsequently approved by the Cabinet on 6 July 2018 which further resolved that an Annual Report on performance against the Commercial Strategy be submitted to the Cabinet and the Scrutiny Commission each June.
11. The Commercial Strategy was revised and replaced by a Traded Services Strategy, approved by Cabinet in 2023. Updates on the Strategy have been submitted to the Scrutiny Commission annually.
12. The Council's Strategic Plan (2022-26), sets out a long-term vision for Leicestershire and specific aims for the Council. The proposals in this report would need to be considered against delivery of the 'Improved Opportunities' outcome in the Strategic Plan (2022-26), specifically "Every child has access to good quality education".

Resource Implications

13. The overall financial result for Beaumanor over the past four years is set out below, along with the projected budget position for 2025/26 as set out in the MTFS.

14. The engagement process will be undertaken using internal resource. Some external expenditure is likely to be required in exploring future options, for example a specialist property advisor in exploring reconfiguration of the site.
15. Once the outcomes of the engagement process are known, officers will be able to state the cost and benefit of implementing recommendations.
16. The Director of Law and Governance has been consulted on this report.

Circulation under the Local Issues Alert Procedure

17. None.

Officer(s) to Contact

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PART B

Background

18. Beaumanor Hall was built between 1842 and 1854 by architect William Railton for the Herrick family. It was requisitioned by the War Office as a secret listening station to intercept encrypted enemy signals. Purchased by the County Council in 1974 as an education and conference centre, it was originally one of three outdoor education centres, including Quorn Hall and Aberglaslyn Hall, both of which were closed in 2012. The Hall and parts of the grounds are Grade II* listed.
19. Beaumanor Hall functions as a conference and wedding venue, and is used for a large amount of County Council conferencing and large scale meetings. The Hall also hosts a number of civic events for the Chairman, Lord Lieutenant, emergency services and armed forces. A growing business stream are craft fairs.
20. Beaumanor Park is an outdoor education centre, offering activities including archery, orienteering, climbing, abseiling, high ropes and watersports. These can be undertaken as residential visits, using the onsite cabins, or day visits.
21. There are also a number of curriculum linked days that are offered, including Pirates, Vikings, Victorians, WW2. These use both the Park and Hall sites. Space on the park can also be hired for camping without activities or catering and this is well utilised by uniformed organisations. The Park also offers holiday clubs, birthday parties and has a small shop.
22. The site also hosts the Registration Office for the Charnwood area.

Financial background

23. The site has never operated at a profit, once all costs to operate the site are considered.
24. The recent performance of the site shows a consistent cost to the Council as set out in the table below:

2021/22	2022/23	2023/24	2024/25
£547k	£466k	£613k	£459k

25. This includes operating costs held in other budgets relating to senior management, performance management, repairs and maintenance and grounds maintenance, estimated at £368,000 this financial year.
26. The forecast performance for 2025/26 was £449,000 before the site was required to close due to structural problems with the chimneys. The current year end forecast is now a loss of £480,000. This includes the additional

operating costs in paragraph 26. The initial works on the chimneys have now concluded and the site has reopened to the public.

27. The most recent asset valuation for the Hall and Park as a whole, made in May 2025, is in the range of £4.5m and £5m. However, sites of this nature are difficult to accurately value and the intended future use will affect the valuation.
28. Even with the current activity levels, there remain risks around the business. This is particularly around managing costs such as energy and wages. Energy prices are still high and there is little likelihood of being able to reduce consumption further. Employment Rights reforms are also expected to make it more challenging for hospitality businesses to operate if they require flexibility in their workforce.
29. 2024/25 saw a reduction in demand from schools visiting the outdoor activity centre. Officers have undertaken analysis of customer behaviour since the Covid-19 pandemic and are seeing a trend of schools moving from multi-day residential stays to shorter residential stays, or from residential stays to day visits. There is little to no evidence of schools moving from Beaumanor to competitors, rather that the cost pressures on schools are requiring them to adjust their habits. There is nothing to suggest that pressure on school budgets will lessen in the short to medium term.
30. The Government's June Spending Review was not kind to schools. Once the cost of expanding free school meals is removed, there will be a real-terms freeze in their budgets. This is likely to be a reduction for mainstream schools once the rising demand for special educational needs provision has been accounted for.
31. A significant change to the landscape of outdoor education was Kingswood Learning and Leisure Group and Inspiring Learning Ltd going into administration in January 2025. Kingswood ran eleven residential activity centres around the country. Only a handful of these sites have been bought by alternative operators and most remain closed. A number of Leicestershire schools have been affected by this change. Kingswood's offer was almost identical to that offered at Beaumanor in that it focussed around residential visits from schools, youth groups and uniformed organisations. Whilst Kingswood's closure might present some opportunities for Beaumanor to pick up additional business, it also demonstrates wider weaknesses within the sector.
32. Schools are key customers of Beaumanor, with the site being used by around 16,000 children a year. Of these just under 9,000 are residential stays. Any engagement will look to understand their views on the future operation of the site and what might encourage them to make greater use of the site in the future.
33. In April 2025, routine assessments of the fabric of the building highlighted issues with some of the chimneys in the Hall. Necessary repairs have

required the closure of the Hall to all trade. The likely cost of rectification could be as much as £1m. Whilst this is not the driving factor behind this proposed consultation on future options, it demonstrates the potential significant future costs to the Council in continuing to maintain an asset like Beaumanor.

Comments of the Scrutiny Commission

34. Prior to the May 2025 County Council election, the previous members of the Scrutiny Commission raised concerns regarding the financial performance of Beaumanor. These stemmed from their initial consideration of the Annual Performance report on the Council's Traded Services at its meeting in September 2024. The Commission commented that whilst there had been some overall improvement across Traded Services, a closer look at Beaumanor by way of an informal, private workshop would be beneficial.
35. The private Scrutiny Commission workshop was held on site in November 2025. Following this the Commission received an exempt report at its meeting in March 2025. The Scrutiny Commission concluded that the long term projected performance of Beaumanor continued to be a concern given its potential impact on the Council's Medium Term Financial Strategy and concluded that this should be considered further by the Cabinet. This report now sets out the current performance of Beaumanor in light of those concerns previously raised and sets out the proposed approach to address these.
36. It is proposed that as part of the engagement process set out in this report the Scrutiny Commission will again be asked for its views.

Engagement process

37. It is proposed that an engagement process will take place on the future of Beaumanor. This will commence in August 2025 for a period of 8 weeks.
38. This will focus around three principle areas: views of schools and other existing customers of the site, views of the general public, views of specialist operators within the sector.
39. Approximately 121 staff are employed by Beaumanor, of which 88 are zero hours members of staff. Staff will be consulted as part of the engagement process and their views on the future of the site will be important. There is also a team of 10 supported employees who assist in the maintenance of the formal gardens and grounds on the site. The Council will ensure that appropriate engagement is undertaken with all employees located at Beaumanor and their advocates, as required. The cost of supported employees is not shown within the financial information above.
40. Schools are key customers of Beaumanor, with the site being used by around 16,000 children a year. Of these just under 9,000 are residential stays. Any engagement will look to understand their views on the future operation of the site and what might encourage them to make greater use of the site in the future.

41. It is proposed that as part of the engagement process set out in this report the Scrutiny Commission will again be asked for its views.
42. The results of the engagement will be shared with Cabinet at a future meeting.

Conclusion

43. Beaumanor Hall has always been a site that operated at a net cost to the Council. If it continues to operate in its current fashion, it is unlikely that this net cost will be substantially diminished.
44. An engagement process will help the Council to plan how the operation at Beaumanor can best be improved to drive financial improvements to ensure that the cost of the site to the taxpayer is reduced as quickly as possible.

Equality Implications

45. There are no equality implications arising from the recommendations in this report. An Equality Impact Assessment will take place for any options that are to be considered once the engagement process has concluded.

Human Rights Implications

46. There are no human rights implications arising from the recommendations in this report.

Other Implications and Impact Assessments

47. Any relevant impact assessments will take place for any options that are to be considered at the conclusion of the engagement process.

Background Papers

Scrutiny Commission – 4 September 2024 – Annual Report on the Traded Services Strategy

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7445&Ver=4>

Scrutiny Commission – 10 March 2024 – Leicestershire Traded Services Update

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7833&Ver=4>

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