

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM  
REPORT TO CABINET**

**14 July 2016**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

### **CABINET DECISION**

**Arts Leisure and Culture Lead Member – Councillor Norma Wilburn**

#### **PRESTON PARK MUSEUM AND GROUNDS UPDATE AND MASTER PLAN DEVELOPMENT**

##### Summary

Previous reports to Cabinet have set out in broad terms aspirations for the further development of Preston Park Museum & Grounds. Plans include the introduction of new elements within the ticketed areas of the attraction and general improvements to access and interpretation. There are also a range of challenges associated with financial targets and the need to generate additional income.

This report outlines the potential for increased income from admission charges and the later establishment of a membership scheme. The report also seeks to finalise the process of establishing an independent external body at Preston Park Museum and Grounds (PPMG) to raise sponsorship and philanthropic giving to the Museum and Grounds.

A subsequent report will focus on developments in the wider Park and on the potential areas which could be funded by a Parks for People Heritage Lottery bid.

##### Recommendations

1. To approve the increased museum admission charges as set out in option b) in the report and support the further development of new membership schemes
2. To approve the establishment of the PPMG Foundation for the purpose of pursuing sponsorship and philanthropic giving for Preston Park Museum & Grounds

##### Reasons for the Recommendation(s)/Decision(s)

To allow the continued development and success of the Preston Hall Museum and Park visitor attraction to be underpinned by additional income from charges and fundraising.

##### Members' Interests

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**RECOMMENDATIONS**

1. To approve the increased museum admission charges as set out in option b) in the report and support the further development of new membership schemes
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**DETAIL**

1. Work has been continuing at Preston Park Museum and Grounds to further develop the museum offer and to explore the opportunity to secure funding through an external charitable body and through new income streams and charging structures. These improvements will build upon a strong year's trading in 2015/16 which, despite poor summer weather that affected visitor numbers, saw the museum revenue grow. Admission and shop income rose by £27701 on the previous year.

2. The trend continues in 2016/17 with April's footfall up by 1140 and revenue from shop and admissions totalling £19583. This reflects increased visitor numbers but also the additional secondary spend in the shop and on tickets for future events.
3. MTFP targets for PPMG require an increase in income of £50,000 in 2016/17 and a further increase of £100,000 in 2017/18.
4. Through an Arts Council Resilience Fund project, officers have been exploring new marketing opportunities and systems to support this.
5. As previously indicated, the development of a membership scheme approach is proposed, creating the opportunity to develop a relationship with our customers and avoid the abuse of the current system by people who give their ticket to others to use. Membership benefits could include priority access to event bookings and other facilities in the park. However, we propose a phased approach to allow us to introduce new tills and software systems.
6. The new systems will include an improved Electronic Point of Sale system integrated with membership management software and customer relationship management capacity. This will allow greater security over ticketing and more precision over marketing initiatives. This in turn will improve the visitor experience and drive income through additional discretionary spend. The purchase of new systems has been fully funded by external grants.
7. In the interim, a revised admission price structure is proposed, distinguishing between the day ticket and annual pass, or increasing the annual pass price if we retain the current approach of offering all ticket holders repeated access for a year.

### **New ticketing arrangements**

8. There are numerous variables and unpredictable factors that hinder the evaluation of admission charging options. However, taking account of current customer feedback and analysis, and giving consideration for performance at comparable attractions, officers believe a number of scenarios are worthy of consideration.
9. Currently admission to the museum costs £5 for a family ticket, £2.50 for an adult, and £1.50 concession. These tickets allow the ticket holder unlimited admission for a year from the date of purchase. The ticket is a till receipt and does not identify the purchaser or allow for the collection of any data about the customer.
10. We could retain the existing admission charge rates but remove the right to then make repeated visits and introduce a second annual pass rate, or we could introduce the annual pass and increased the day rate.
11. Increasing charges may reduce the total number of visits and the choice between the day ticket and year pass will depend on the relative value and price differential between day and year options.
12. We believe that total visits would rise slightly in response to improvements to the attraction and improved marketing if prices do not change. However, this is not guaranteed and therefore the following options are calculated using the last full year visitor figures.

13. The following options are proposed for consideration;
- a) **Day tickets** £5 family, £2.50 adult, £1.50 concession (current rates), combined with **Year pass** £9 family, £4 adult, £3 concession
  - b) **Day tickets** £7 family, £3 adults, £1.50 concession (increased rates but static for concessions), combined with **Year pass** £9 family, £4 adult, £3 concession
  - c) **Day ticket** £7 family, £3 adults, £1.50 concession, combined with **Year pass** £12 family, £5.50 adult, £4 concession
14. Applying these rates to existing visitor numbers illustrates the potential impact on income from admissions. The following figures are for the net increase against the last year and include some assumptions about take up and impact.
- a) Income increase of **£13,190** based on no change to total visitor numbers and 20% take up of Year pass
  - b) Income increase of **£39,346** based on 5% reduction in total visits, 50% take up of Year pass
  - c) Income increase of **£48,280** based on 10% reduction in total visits, 30% take up of the Year pass
15. When the capacity exists to offer a full membership scheme, with benefits, this could be introduced as a third tier of costs or it could replace the Year pass.
16. In order to be likely to achieve the income target in the MTFP, **option b)** is the recommended option.

## **PPMG Foundation**

17. Working with a specialist charitable funding and philanthropy consultant, preparations have taken place to establish an independent charity whose purpose will be to seek donations and sponsorship for PPMG. As previously stated in earlier reports to Cabinet, this body will be able to raise money for the PPMG but has no powers over or control of any part of the attraction or Council property. The process is now at a stage where an application to create the body with the Charities Commission is in the final stages of preparation.
18. The constitution and governance document for the body specifies a board of no fewer than 5 people and no more than 9 Trustees. Trustees will include (ex-officio) SBC Cabinet Member for Arts Culture and Leisure, and the Library and Heritage Service Manager. The constitution allows for a further Trustee appointed by SBC who must not be a member of SBC and who is appointed for a 3 year term (renewable).
19. The draft Constitution has now been examined by a specialist lawyer for comment, to ensure the independence from the Council is clear. Cabinet is recommended to approve this level of SBC representation and authorise officers to proceed with submission to Charities Commission and begin the process of recruiting Trustees for the Board.
20. A small amount of start-up funding (£5000) will be granted to the Board by SBC to enable the body to begin working to attract external interest. This sum has already been set aside in the Service budget.

### **Next stage bid to Arts Council Resilience fund.**

21. The Arts Council Resilience fund grant from in 2015/16 has allowed the museum to develop both its offer and the infrastructure to support its operations, including the work to develop the Charitable Board. A second round of funding is now available and the museum was successful in its expression of interest. A full application to this second round of funding was submitted in May.
22. The success of this bid would bring in around £98,000 worth of funding that would be used to increase the commercial capacity of the museum , evaluate and make recommendations on the commercial operations of the museum, develop designs to improve the visitor offer and make areas of the museum more accessible to all visitor groups including those with disabilities.
23. The evaluation would be used to inform the ongoing Transformation Review of the PPMG attraction.

### **COMMUNITY IMPACT IMPLICATIONS**

24. The proposed actions in this report which refer to the establishment of an external body would have no effect on the local community. They are intended as an independent source of income to support the maintenance and development of the museum collection at Preston Park Museum and Grounds.
25. Changes to door admissions at Preston Hall could have an impact on levels of local attendance but it is expected that the retention of the unchanged concession rate in the recommended option will mitigate any impact.

### **FINANCIAL IMPLICATIONS**

26. The potential additional income from admission charges are set out in paragraph 14 of this report.
27. In order for the PPMG Foundation to be established, £5000 will be transferred to the Board as a “seed fund”. This will enable to the Board to begin the process of seeking external sources of finance. This sum has already been set aside in the Service budget.
28. The two systems identified for purchase at Preston Hall to support enhanced marketing and point of sale information, as well as donor management and sponsorship, are fully funded by the Resilience Fund project.

### **LEGAL IMPLICATIONS**

There are no legal implications for the Council arising from this report.

### **RISK ASSESSMENT**

The risk of reduced visitors and reputation damage as a consequence on increased charges has been considered. Existing management systems and routine procedures are sufficient to control the risk.

## **COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES**

The continued viable operation of PPMG provides a range of benefits to a cross section of the community and visitors. In so doing it contributes to all of the Council's Policy principles. The retention of the heavily discounted concession rates for admission will ensure that Council resources continue to be targeted at those in greatest need.

## **CORPORATE PARENTING IMPLICATIONS**

There are no Corporate Parenting issues with regard to this report.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

Consultation on the principle of increased admission charges and on the formation of a charitable body for the purpose of raising funds for PPMG has taken place with the Cabinet Portfolio holder, Ward Councillors and PPMG stakeholders.

**Name of Contact Officer: reuben kench**  
**Post Title: Director of Culture, Events & Leisure**  
**Telephone No. 01642 527039**  
**Email Address: [reuben.kench@stockton.gov.uk](mailto:reuben.kench@stockton.gov.uk)**