



PORTFOLIO AREA: HEALTH AND COMMUNITY ACTIVITIES

Date of Meeting: 13 June 2005

Public

Key Decision: Yes

Recorded in Forward Plan:

Yes

Inside Policy Framework

Title: Museums and Arts Service Development Plan
Report of: Culture Leisure and Sport
Report reference: CLS008/05

Summary:

This report provides a summary of the Development Plan from consultants which was commissioned to prepare a 10-year plan for the Service. The full report is available in Members Rooms. The Report considers the governance options for the service and the partnership opportunities arising from recent initiatives such as Carlisle Renaissance and Historic Cities, which present a significant opportunity for improving the Carlisle cultural offer.

Recommendations:

The Executive is recommended to

1. Retain City Council management of the Museum and Arts Service and revisit the trust option in 2007.
2. Officers be directed to work up possible cost proposals for funding phased capital improvements over the next ten years, to enable members to consider the implications for the Council.

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1. BACKGROUND INFORMATION

- 1.1 Carlisle Museums and Arts Service includes Tullie House Museum and Arts Service and the Guildhall Museum. It holds a significant position at a number of levels. Locally it is the primary museum and arts service in North Cumbria, providing advice to individuals and voluntary groups plus smaller museum services provided by neighbouring authorities. Within the North West Tullie House is recognised as a significant asset, which led to inclusion within the Renaissance in the Regions Programme. It has also built up a national reputation enabling major touring exhibitions to be attracted to the City, e.g. "Must have Toys". In 2003-4 the service attracted over 256,000 visits and is well supported by the people of Carlisle with 44% of the total annual visits from local people.
- 1.2 Carlisle City Council provides the primary revenue funding for the service. Whilst some national funding is received from Museums, Libraries and Archives (MLA). As part of the Government's Renaissance in the Regions programme Tullie House was selected as one of five museums within the North West "hub". This Government funding is directed towards raising standards, particularly with regard to encouraging schools and "hard to reach" groups to use museums. In 2005-6 Tullie House will be receiving £96,000 for specific "hub" projects. This has had a significant impact on improving the learning and access opportunities for children and developing an outreach programme. As such it is positively contributing to the Learning City agenda in Carlisle.
- 1.3 The Carlisle Museum and Arts Service collections are of national importance, especially the fine art and the Roman archaeology collections. Loan requests come from regional, national and international institutions. The collections are not static and continue to expand. In 2007 for instance the service will be under pressure to display the highly regarded Roman Millennium artefacts and the Cumwhitton Viking material – for which there is inadequate space at present. There are also expectations that Tullie House will play a key role in the Hadrian's Wall Major Study developments, which are supported by the North West Development Agency.
- 1.4 The decision to commission a Development Plan for Carlisle's Museums and Arts Service was taken at full Council on 4/11/03 (Minute C172/03H). ABL Limited was appointed to prepare and deliver the Development Plan. They carried out a substantial amount of work to prepare the plan. Consultation included: staff, officers, elected members and external organisations such as the Friends of Tullie House and the North West Development Agency.
- 1.5 The Development Plan was commissioned by the Council to provide a direction to take the Service in the next ten years and meet the high visitor expectations, whilst identifying opportunities for increasing revenue streams.

- 1.6 At the present time English Heritage are undertaking a review of Carlisle Castle in order to develop the tourism potential. The County Council is looking to relocate the archive service from the castle and the Kings Own Border Regiment is keen to improve their museum. Such developments are to be welcomed as part of improving the attraction of Carlisle to visitors.

2. ISSUES

- 2.1 ABL Consultants have made a number of recommendations. These in more detail in the full report. The recommendations cover displays, exhibitions, collections, learning provision, café, conferences and events, catering ,shop, arts provision, marketing, admissions and opening hours and staffing.

The principal issues highlighted were:

- Governance of the service – whether or not a trust should be formed to take over the management of the service from the City Council.
- Admission charges – the current charging structure is a barrier to visitors.
- Capital Proposals – the building competes against many other attractions and requires an investment programme to enable it to tell more of the “Carlisle Story”, in addition to resolving the on and off site storage of the collection.

- 2.2 Since the draft development plan was delivered by ABL Ltd., a number of critical issues and opportunities have arisen which must now be taken into account:

- The January flood and the subsequent Carlisle Renaissance opportunity, which provides a chance to significantly improve the cultural offer in the City, in which Tullie House plays a major part. Members will be aware that considerable effort is being focused to deliver a plan for the City to maximise its regional position and bid for funding.
- The Historic Towns/Cities Initiative – this has seen the North West Development Agency (NWDA) select just 5 cities/towns in the N. West of which Carlisle is one, to be the subject of an important study by consultants. The purpose being to see how these five can use their heritage assets to create a visitor destination of the highest quality. The study will also look at the wider role that the City's historic environment could play in supporting economic development and regeneration. Consultants are in the process of producing this piece of work.
- Hadrian's Wall Major Study – this highlights Tullie House as one of four sites along the wall, to be considered within the first stage of major capital investment to maximise the economic value of this World Heritage Site. Overall this project has £56.25m for investment which will also be used to draw in additional external

funding to schemes along the wall. The purpose being to "...develop an integrated Hadrian's Wall experience , as a "must-see" world class visitor attraction of high quality and high level delivery. Differentiating within the experience of visiting different sites along the line of the wall. Co-ordinated delivery of visitors to Hadrian's Wall will be achieved through the development of effective capital projects."

- Renaissance in the Regions Programme – Tullie House was selected as one of five museums in the N. West in the first stage, 2003-06. It has just recently being selected for the second stage of funding 2006-08. This is a Government initiative designed to increase the number of people using the service from under represented groups.

3.0 Trust Status

- 3.1 The issue of Governance is covered in considerable detail within the Development Plan and was subject to a specific report for Members by Egeria in 2003. The implications of creating an independent Trust at Tullie House Museum and Art Gallery have been previously been raised at the Executive CLS049/03 and Community Overview and Scrutiny 17/7/03 and 13/11/03.
- 3.2 A table is provided below which seeks to set out the main issues which arise when considering the Trust option.

TABLE SUMMARISING GOVERNANCE OPTIONS FOR TULLIE HOUSE

ISSUE	COUNCIL MANAGEMENT	TRUST MANAGEMENT
Strategic Decisions	Council led and linked to corporate objectives. The current management arrangement provides total corporate flexibility to align the service with current and future Council priorities. This is particularly important at the present time given the work outlined in 2.2 above	Trust led, although can be linked to City priorities, however for any Trust financial stability is the principal focus
Finance	Revenue and capital liability (£2.118m, total 05/06 budget figure including capital finance charge of £569.8k) Establishing a Trust would	Responsibility of Trustees once it was transferred. Any costs of set up, including officer time would be the responsibility of the Council

	cost the equivalent of at least the first full year of NNDR saving of £112k	until transfer. The direct budget which would be liable for transfer is £1m plus an indirect budget of upto £550k
Subsidy	As existing plus any budget liability over and above that stated above, for example over spends or lower than expected visitor income	As per the existing Council budget provision subject to negotiation, this could be fixed or linked to the retail price index (as is the case with Carlisle Leisure). A fixed sum places a greater responsibility on a Trust to find ways of increasing income or saving costs. Service level reduction (e.g. reducing opening hours would not be an option unless agreement was given by the Council)
Revenue Investment	Opportunity to make revenue savings or investment. Scope for re-allocation of Gershon efficiencies. The most significant saving opportunity is NNDR (currently £112k). A Trust is eligible for 80% relief, with the remaining 20% subject to the Council granting it. There is limited VAT saving to the Council.	Limited opportunity, most likely to be linked to return on investment, which the management and trustees would determine
Capital Investment	Opportunities available but will need to compete with other priorities, although currently a number of potential funding sources could arise see 2.2 above.	No track record would need to seek Council to be guarantor, can source funds not available to Council. Cannot recover VAT. Council would retain landlord right of approval for structural alterations to fabric of buildings
Risk	Council responsibility in all respects.	Trust responsibility, although in event of failure liabilities will revert to Council.

		Trustees would have limited liability.
Assets	Council owns the buildings and collection on behalf of the people of Carlisle.	Trust would be legally responsible under a lease agreement but would not have ownership.
Staffing	Staff are employees of Council apart from catering, all employment liability is with Council.	Staff would transfer to Trust and it would have all liabilities for employment issues, including pensions that may prove too expensive in long term for the Trust to offer a final salary scheme.

- 3.3 It is estimated (from discussions with other Authorities that have taken their museum services to Trust) that in the region of £120,000 would be needed by the Council to pay for the establishment of a Trust. This figure would cover external legal and financial advice. In addition significant officer time from various Council sections would be needed to ensure the work was completed within a specific time. This commitment could be at a time when the Council is trying to address a number of other key priorities, such as the implementation of Carlisle Renaissance.
- 3.4 There are a number of significant opportunities, in which the City Council is currently engaged, Tullie House itself is part of most of them as outlined in 2.2 above. Therefore it is the view of officers that at this time there are no significant strategic advantages to the Council in giving the management of Tullie House to a Trust. A review in 2007 is felt appropriate, to allow the development of the current initiatives across the City, and their impact on the service.
- 3.5 The principal reason for setting up Trusts to-date has been the cost saving from NNDR, which is may or may not be passed onto a Trust. A secondary reason is the removal of corporate responsibility from managers who transfer, which allows them to focus on the service itself, to the exclusion of broader issues.
- 3.6 The budget for the museum and arts service is significant relative to the size of the Council budget, however this must be viewed in the context of the regional and national position Tullie House occupies. It has a benefit to local people who have the opportunity to enjoy a substantial local asset with a national reputation. The investments made in the infrastructure and the service since the early 1990s reflect this. The opportunities currently presenting themselves will only help to reinforce this position, hence the proposal to retain the management within the Council at this time.

4.0 Admission Charges

- 4.1 One of the recommendations in the ABL report is that the current admission charges should be reviewed. At present the charges for Tullie House Museums and Art Gallery are:

Adults	£5.20
Concessions	£3.60
Children	£2.60
Families	£14.50

- 4.2 There is no charge for the Guildhall, Old Tullie House or the Art Gallery. Residents within Carlisle district are eligible for the Tullie Card, which following purchase at a cost of £2.50 per card provides free access to the other galleries for the life of the cardholder.

- 4.3 ABL Consultants recommend that access to Tullie House is free or if a charge is made it should be reduced as follows:

Adults	£4
Concessions	£3
Children	£2
Families	£10

- 4.4 Any amendment to charges is not without cost to the Council budget. However the rationale for the recommendation has to be seen within the context of the information. In 2004/5 there were 34,000 paying visitors resulting in an admission charge income of £51,685 against a target of £95,500. If the adult admissions charges had been reduced as per the ABL proposal the income would have been £45,052. On actual income levels this represents an additional cost to the Council of about £6,500 and about £50,500 on the income target for the year. Since the flood in the Millennium Gallery the admission prices have been reduced to £3 for adults, £2 for concessions, £1.50 for children and £8 for families, to reflect the reduction in service. This has had a very positive effect on visitor figures and in comparison to the same period last year:

Jan – May 2004	Paid admissions 11,595	Tullie Card 3294
Jan – May 2005	Paid admissions 16,500	Tullie Card 5350

Interestingly, during the period this year, a survey has shown that 29% of visits are from the "hard to reach groups". Although it is not possible to state a direct correlation between the reduction in charges and admissions, for example the "Must have Toys"

exhibition was staged this year and proved popular. None the less it is an encouraging sign and indicative of the potential of using the admission charge as a marketing tool.

- 4.5 The present admission charges are high in comparison with neighbouring attractions and charging is a considered a barrier to potential visitors or for encouraging return visits. In the North-West none of the other five Hub museums charge for admission; Tyne and Wear Museums are free and national museums such as the Imperial War Museum (North) and Tate Liverpool are free.
- 4.6 Research by ABL suggests that if there were free admission at Tullie House Museum numbers would rise by 75% to 59,348. Such a decision would create a deficit of up to £95,500 based on the current income target, ABL suggest this could be partly offset by an increase in shop and the restaurant sales, as people may be more likely to spend on auxiliary services when then have not had to pay admission fees. Such a move would place a greater emphasis on the staff's ability to translate visits into income. Free admission is likely to increase visitor numbers and accessibility dramatically. Free admission would if allied to other cross cutting initiatives such as play work and sports development undoubtedly encourage usage by priority groups and support Carlisle's role as a Learning City. It would also encourage use and return visits by non-Tullie Card Cardholders, as residents in priority groups can struggle to find the £2.50 to purchase a Tullie Card.
- 4.7 By way of comparison in 2003/4 Bolton Museum, one of the Hub museums with free admission, had 135,789 visitors. The Exeter Museum and Art Gallery, a similar size of museum to Tullie House, has 208,000 visitors per annum and again is free. In Carlisle the Castle is £3.50 for adults and £1.80 for a child and there are 64,000 visits.
- 4.8 Clearly such a decision is not without risk and while free admission is a long-term goal, unless Government funding changes, it is likely to remain financially out of reach for the City Council. It is therefore recommended that an admission charge is still made but it is reduced to £4 for adults , £3 for concessions and £2 for children and £10 for families for the next financial year. This proposal would form part of a budget bid for 2006/07 where it will be considered alongside other Council expenditure priorities.

5.0 Capital Proposals

- 5.1 The Development Plan sets out a number of options for capital development. Following the consultation process a preferred way forward has been identified. This development option would improve public circulation and displays and provide a two tier storage solution whilst maximising storage on site. The development proposals would support the Council 's Renaissance agenda and the North West Development Agency's agenda for cultural tourism, particularly with regard to the Hadrian's Wall

Major Study. The proposals also include a collections resource centre and state of the art education/learning spaces, supporting Carlisle's Learning City ambitions by enhancing both further education and schools provision. The Border Galleries and Old Tullie House displays are "tired" and in need of a major refurbishment to create more dynamic displays, which are more family focussed and interactive.

- 5.2 The key areas from the report, which have been identified as critical to taking the service forward over the next 10 years are:-

❖ **Refurbishment**

Complete refit of all galleries including the Border Galleries
Millennium Gallery refitted to interpret the Hadrian's Wall storyline
Creation of a new Art Gallery for the City's Art collection in present store
Old Tullie House refitted out for costume and art exhibitions
Rearrangement of public spaces and atrium area
Education spaces relocated to provide state of the art facilities and meet Disability legislation
Special exhibitions gallery relocated
Complete refit of shop and catering spaces
Complete refit of the Guildhall
Meet the standards of Disability Discrimination Act
Relocation of staff offices in Old Tullie House

❖ **Storage and Resource Centre**

High specification refit of remaining on site storage to permit improved public access to enable gallery development on site
Create new resource centre for stored collections at Tullie House
Replace Shaddon Mill store with a mixture of off- and on- site storage, the existing lease expires in 2007 and although discussions are planned to extend this, it is unlikely that such an outcome will be achieved.

- 5.3 ABL estimated the capital cost of these works at £13m, based on 2004 figures. (This does not include the off-site store). Clearly such a figure is beyond the financial scope of Carlisle City Council alone. However further work is proposed to determine the viability of such a scheme and this would need to be brought back to members for consideration with an accompanying business case including funding options.
- 5.4 In their draft report ABL Consultants identified a number of organisations, which assist with capital as well as revenue bids. These include the Heritage Lottery Fund that supports projects that relate to national, regional and local heritage. To qualify for a grant the project should:

- conserve and enhance our diverse heritage
- encourage more people to be involved in their heritage
- make sure that everyone can learn about, have access to and enjoy their heritage

HLF grants are likely to be between £1M and £5M.

North West Regional Development Agency who are leading with One North East on the Hadrian Wall study and alone on the Historic City/Town Group, both initiatives offer funding potential.

The Clore Duffield Foundation provides funding from £10,000 to £2.5M for museum and arts capital projects. Other organisations include the Esmée Fairburn Foundation, Foyle Foundation and the Wolfson Trust.

The realistic opportunities for funding from these sources need to be explored in greater detail.

6. CONCLUSION

- 6.1 Tullie House offers a tremendous resource for residents and visitors alike and is recognised as a an excellent museum nationally. However it needs to adapt and change in order to continue to deliver the service in an increasingly crowded market place. The scope for it to achieve even greater accolades exist hand in hand with the opportunity which has been presented to Carlisle in the various initiatives and funding avenues which are opening up. Tullie House has a role in the economy of the City and this needs to be considered alongside the other cultural and heritage assets on offer to both residents and tourist. The development plan provides a pathway, which is very useful when seen within the context of the wider corporate agenda for the Council.

7. CONSULTATION

- 7.1 ABL have carried out consultations in the form of seminars , presentations and one-to-one interviews with the following :-

Museums and Arts staff

Senior Officers

Elected Members

External organisations – including the Arts Council, North West Development Agency, English Heritage , Museums ,Libraries and Archives(North West)

- 7.2 It is proposed to carry out a more detailed consultation with funding organisations, such as North West Development Agency and Heritage Lottery Fund, to determine the likelihood of funding being available
- 7.3 Further consultation will be carried out with the Executive, PFH, Overview & Scrutiny, CMT and The Friends of Tullie House

8. RECOMMENDATIONS

1. Retain City Council management of the Museum and Arts Service and revisit the trust option in 2007.
2. Officers be directed to work up possible cost proposals for funding phased capital improvements over the next ten years, to enable members to consider the implications for the Council.

9. REASONS FOR RECOMMENDATIONS

9.1 This recommendation would:-

- Provide the Service with a clear direction forward
- Retain Council management flexibility
- Give an achievable 10 year programme
- Improve access to the Service for the people of Carlisle
- Enhance Carlisle's position as a destination for tourism
- Respond to needs to revamp and upgrade "tired" displays in all the Galleries
- Deal with the pressure of the Council needing to find alternative store to the present temporary storage provision at Shaddon Mill
- Address the need to display two outstanding national collections- the Roman Millennium collection and Cumwhitton Viking material
- Provide much needed education and learning provision
- Raise the standards of museums service, supporting education, community development and economic regeneration, in line with the Museums Libraries and Archives (MLA) Renaissance in the Regions scheme to create centres of excellence
- Maximise the opportunities of working with the North West Development Agency on the Hadrian's Wall Major Study

10. IMPLICATIONS

- Staffing/Resources – Staff have been consulted at each stage of the Development Plan, they will part of the future success of the service. An examination of existing resources will form part of the Gershon agenda.

- **Financial** – This report does not commit the Council to any capital investment at this time. The outline capital cost referred to in the report would in any case need to be spread over a several year period and extensive external funding would need to be obtained to achieve such an ambitious scope of works, as it is beyond the resources of the City Council alone to fund. Once cost proposals are available they will need to be considered in the light of other Council priorities and the availability of capital resources.
- **Legal** – It should be noted that any proposals to make alterations to the Millennium Gallery or other assets funded by the Millennium Commission should be discussed with the Commission first. In addition there will, as the report indicates, be a necessity to commission external financial and legal advice to assist with any implementation of a Trust option and an appropriate budget will need to be found for this if such a route were taken by the Council.

Corporate – Tullie House assists in the delivery of corporate objectives. It is currently a primary contributor to the Learning City Agenda and can assist in help with greater cross cutting work

- **Risk Management** – Any proposals would need to be subject to the Council's risk management process
- **Equality Issues** – The Development Plan addresses issues such as meeting DDA standards, but more fundamentally it seeks to ensure that all sections of the community are able to access the Service. The funding received from the North West Hub allows the service to develop audiences- particularly the "hard to reach " groups. The very nature of the service is about increasing access in all respects and this is key element of the work being undertaken now and will be in the future. The opportunities exist through Arts Development as well as the Museum Service to help increase people's understanding of different cultures and beliefs for a more tolerant society.
- **Environmental** – The work of the natural history section assists in local people gain a better understanding of their environment, for example activity sessions with children at Talkin Tarn.
- **Crime and Disorder** – The Service receives funding from the North West Hub to work with groups in the area to improve understanding and appreciation of the locality. This includes developing outreach into the community and a programme on citizenship.