

Tullie House Museum and Art Gallery Trust

Note on the 3-year Business Plan, 2012/15

I. Introduction

Tullie House Museum and Art Gallery Trust is currently preparing its first three-year Business Plan covering the period 2012/13 to 2014/15. The Plan will be presented by management to Trustees on 11 October and submitted to the Council on 31 October 2011. The purpose of this note is to inform the Council's Community Scrutiny & Overview Panel on 6 October of the main themes and issues the Plan will address; detailed financial budgets for the three-year period are still being finalised and will be submitted on 31 October.

Tullie House Museum and Art Gallery transferred to trust status from Carlisle City Council on 5 May 2011. A subsidiary trading company was formed in July 2011 and charitable status was achieved in August 2011. In its early years as a new body, Tullie House Museum and Art Gallery Trust will need to establish itself as a thriving and sustainable independent organisation. The new trust's vision is that:

Tullie House will be one of the leading and most influential arts and cultural institutions in Cumbria, providing a vibrant and proactive centre for heritage and the arts in Carlisle. It will directly serve the people of the city and their visitors; play a leading part in the cultural, social and economic life of the north of England and become recognised as a leading institution nationally with a growing reputation within its specialist fields.

2. Strategic themes

Five strategic themes have been identified by the Trust's management team for the Business Plan:

- **Access development** - developing access to the collections using all available media, recognising the opportunity to develop neighbouring property
 - The lease at Shaddon Mill will end or come up for renewal in 2015
 - There is an opportunity to access buildings adjacent to Tullie House
 - Applications for external capital funding will be prepared to support this.
- **Income generation** - investing in generating sustainable income
 - New income sources such as sponsorship will be identified and income generation plans developed and implemented.
- **Organisational transformation** - to create a lean entrepreneurial organisation
 - This will involve significant changes in staff roles and responsibilities and changes in ways of working.
- **Community involvement** - identifying alternative ways of delivering a dynamic learning programme
 - To include working with key partners including the City and County Councils and University of Cumbria.
- **Partnership working** - building on partnerships to maximise the museum's potential
 - Involving the development of three key partnerships with, respectively, Cumbrian Museums, the British Museum and Hadrian's Wall Heritage Limited.

3. Market Context

In 2010/11 over 256,500 people visited Tullie House. Of these 56% were from the north west (including Carlisle), 38% from Carlisle itself and 8% from overseas. This year we have experienced a drop in our visitor numbers of -4.7% up until August (112,358 this year vs. 117,909 last year). This is in line with a downward trend in visitor numbers of 3% to paid venues along Hadrian's Wall.

In contrast our paying visitor numbers have increased this year by 23%. This increase is a direct result of the recent investment in and opening of the Roman Frontier gallery, highlighting the need to prepare a capital development strategy for the Trust.

Following the opening of the Roman Gallery we have set a target of 300,000 visitors, to be achieved within a year of the opening of the new gallery. According to our visitor survey 92% of visitors are very satisfied with their visit. Their social economic profile is 2% A, 32% B, 35% C1 and 29% C2DE. (2% no response) The average spend per head by visitors to the paying areas of the museum has increased from £1.19 in 2010/11 to £1.33 in the current year.

4. Income

While the core grant from Carlisle City Council will remain the Trust's key source of income for the foreseeable future, other areas of income generation will collectively become increasingly important. They include:

- The subsidiary trading company (retail sales, catering/hospitality, web-site income)
- Fundraising and sponsorship
- Renaissance in the Regions (Hub) funding
- Other grants and donations
- Visitor admissions.

City Council funding

The City Council's 12-month grant to Tullie House Museum and Art Gallery Trust in 2011/12 is £1,314,420. As part of the negotiations with Carlisle City Council to transfer to Trust, Tullie House was required to identify savings of £58k in 2011/12. A further £116,000 saving needs to be identified in 2012-14 and these savings will be identified within this Business Plan.

Renaissance in the Regions funding

For the past seven years Tullie House has been one of six Hub-funded museums in the North West. The Renaissance in the Regions funding will be managed by the Arts Council from autumn 2011. The funding is likely to be severely reduced or even totally withdrawn from April 2012. At present there are nine Hub-funded posts within Tullie House several of which support the Museum's highly acclaimed education and community provision.

The Arts Council are setting new criteria for the distribution of the funding. Their key strategic goals are that:

- Excellence is thriving and celebrated in museums and libraries
- More people experience and are inspired by museums and libraries
- Museums and libraries are sustainable, resilient and innovative
- The leadership and workforce in museums and libraries are diverse and highly skilled
- Every child and young person has the opportunity to experience the richness of museums and libraries.

Fund-raising and sponsorship

As part of the Renaissance in the Regions programme a fund-raising post was established in May 2011 which will continue until the end of March 2012. This post is important to the future development of the Trust.

- In 2011 a successful application was made to Heritage Lottery Fund for £25k towards the Yak Yak group Hadrian's Wall Walking the Wall project
- On completion of a capital development plan for the Trust (see 6. below), applications will be prepared for funding from the key funding agencies such as ERDF and Heritage Lottery Fund.

Admissions charges review

A wide-ranging review of admissions charging policy is currently underway which will address issues such as the structure and levels of charging (family, adult, concessions etc.), whether we should start charging for the Art Gallery and Old Tullie House, the future of the Tullie Card, and the charging policy for events, activities and drop-ins.

There is an opportunity to charge for major exhibitions, such as Secret Egypt in 2012.

5. Expenditure

Restructure

In order to establish an organisation that is robust, entrepreneurial and fit for purpose, the Trust needs to carry out a staffing restructure. The Director will work with the City Council HR department on the restructure. As part of this, savings will be identified.

Central charges

The Trust is awaiting a report from the Council on its review of central charges. The Trust is required to give 18 months notice to the Council, should it intend to source its human resources, information technology and payroll services from elsewhere.

Cost pressures

As already mentioned the City Council will be reducing its core grant to the Trust by £116k during the first two years of the plan period (comprising £58k in 2012/13 and a further £58k in 2013/14), which means that the Trust must plan to find cost savings of these amounts. In addition the Trust recognises that there will be the following further cost and other pressures to be managed:

- Energy /utility prices
- Restructuring the organisation
- ICT replacements over the coming three years
- Staff pensions - there is a three-year agreement for staff pensions. In 2014/15 the Trust needs to prepare for a 2% contribution increase
- External painting work on Tullie House
- Revenue cost implications of running the new Roman Frontier gallery
- Loss of some or all Renaissance in the Regions funding.

To help identify ways of managing these cost pressures, a consultation exercise has been undertaken. The areas that the Trust has identified to meet the savings are:

- **Marketing** - Publication of *What's On at Tullie House* will be reduced from three to two issues a year, with less copy and smaller print runs. The marketing team will distribute more editions on-line, to save printing and distribution costs

- **Income generation** - in particular there will be a big focus on developing income from corporate events in 2012/13 to 2014/15
- **A Holiday Purchase scheme** - which has been suggested by a number of staff, whereby they can swap an element of salary for extra holidays
- **Admissions income** - as already mentioned, a review is currently being undertaken of admissions charges to identify ways of increasing admissions income
- **Efficiencies** - a review of working practices and efficiencies has been undertaken with staff and savings are currently being identified
- **Staffing restructure** - the organisational restructure will involve the loss of posts, which in turn will mean a loss of specialist skills affecting the efficiency and effectiveness of the organisation.

6. Capital Development Programme

A development plan has been commissioned to make the collections more accessible by transferring at least some of them from storage to public view (improving the financial viability of the new Trust) and investigating options for acquiring new accommodation. The development plan will include a coherent interpretation strategy, the open display and/or use of collections currently held in store, a new permanent gallery for the fine art collection, and developing a new Natural Sciences “Exploratory” gallery.

The development plan will also review:

- the Trust’s present properties including Shaddon Mill and the Guild Hall
- the suitability of acquiring neighbouring properties that might help to meet the requirements of the Trust.

The Development Plan will be complete by March 2012. Thereafter, funding applications will be submitted to major grant giving bodies.

Hilary Wade
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 Tullie House Museum and Art Gallery Trust
 26 September 2011