



Joint Committee for the North of England Open Air Museum

Friday 9 September 2011

Museum Update – Report of the Museum Director

1. Performance for the six period 1st February to 31st July 2011

	Actual YTD 2011/12	Budget YTD 2011/12	Previous Year 2010/11
Visitor numbers	244,989	190,000	217,768
Variance (%)		29%	12.5%
Operating Income*	£2,885,579	£2,687,761	£2,764,613
Variance (%)		7%	4%

* Beamish Museum Ltd/Beamish Museum Trading Ltd income excluding grants & donations

- 1.1 Beamish has continued to experience higher than anticipated visitor numbers over the 6 month period to the end of July 2011, with a total of 244,989 visitors against the original budget forecast of 190,000 and the previous year's result of 217,768. Results for August will be available at the Joint Committee meeting – the museum expects to welcome a further 78,000 visitors during this month.
- 1.2 The 12.5% increase in the period to 31st July is due to a number of factors, including growth in repeat visitors and sales of Beamish Unlimited tickets. We are currently carrying out some detailed market research over the summer months to help us understand this trend, which does appear to contrast with results from some comparative UK museums and attractions. We will be reporting on this review at the next meeting, and this will help inform our plans for the 2012 season.
- 1.3 The increase in footfall in the period to 31st July 2011 has led us to revise our visitor number forecast for the 2011/12 year. The target has been increased from the original level of 366,000 to a revised total of 449,824. If achieved, this would be the third highest total on record, and our best result since 1990.

- 1.4 With visitor numbers increasing we have continued to see very good catering results. Additional outlets have been opened on the Town Street and at Pockerley Manor during the summer holidays. Catering sales to the end of July were up 3% on last year and up 9% on budget forecast. However, the contribution of the catering operation to BML has declined slightly on both budget forecast and the previous year, due to the effect of VAT increases, significant inflation in food and drink supplier costs and an increase in seasonal wage costs
- 1.5 Income from retail has continued to be slightly down on budget forecast and last year, despite the increase in footfall. Retail sales are down 8% on last year and 2% on budget forecast. However, despite the decline in sales volume the contribution from retail has increased slightly on both budget forecast and the previous year, due to an increase in gross profit margin achieved.

Approval sought

- Note the progress report above.

2. Business and Operational Improvement Plan Review

- 2.1 The senior management team at the museum will meet in September to review progress delivering the current business plan and to plan ahead for the 2012/13 season.
- 2.2 The Board of Beamish Museum Ltd has recommended that the current business and operational improvement plan be extended to cover the period through to 31st January 2013, and a revised action plan be produced for approval in October 2011. The revised action plan in October 2011 will provide both a review of progress to date and highlight the range of revenue and capital projects.
- 2.3 The Head of Engagement, Assistant Director Resources, Finance Manager and Museum Director met in August 2011 to review the 2011/12 revenue budget for both Beamish Museum Ltd and Beamish Museum Trading Ltd, taking into account actual performance to the end of July. The museum's operating surplus in 2011/12 is now forecast to total £211,072.
- 2.4 The Museum's events programme continues to be developed. Major events in September include Power from the Past (1 – 4 September) and the Beamish Agricultural Show (15 – 18 September). Plans are prepared for the Christmas season from mid November, and the programme for 2012 is being considered including the potential new development a period 'Olympic Games' and Bonfire Night Celebrations. An events list for 2011 is attached to the report as appendix A.
- 2.5 The Fish and Chip Shop was opened successfully in July, with publicity in the press and TV/Radio. The attraction has been incredibly popular, and an extra member of staff has been employed to help manage the queues. Due to the capacity of the five frying pans the total number of portions that can be served is limited – and this cannot meet demand in the peak summer months. A review of the operation will be carried out in September once the summer holidays are over.

- 2.6 As part of the ongoing improvements to catering and visitor facilities, there is a need to carry out a number of smaller maintenance and refurbishment works to existing facilities in advance of the 2012 season. Projects include the improvement of external lighting across the site for evening events/winter opening, catering equipment and furniture/decoration of the coffee shop at the entrance and refurbishment of toilets. Funding for the work is to be found from Beamish Museum Ltd repairs/maintenance and equipment revenue budgets. Where any work relates to capital development, expenditure will not be made without the approval of the Joint Committee.
- 2.7 The museum's promotional material and marketing strategy is currently being refreshed. Work is underway producing designs for the main leaflet in 2012 and for the 2011 winter season including Christmas at Beamish events. A marketing plan for 2012 is being produced by the Development Manager and will be available for the Board to review in the autumn. Key priorities will include the further development of the museum's digital communications and campaigns to promote the Beamish Unlimited ticket scheme.
- 2.8 Working with the Friends of the Museum and the Beamish Development Trust, staff at the museum have reviewed the current fundraising priorities for 2011 and 2012. Work underway includes:
- Development of the Community Heritage project in partnership with the Heritage Lottery Fund, following confirmation of a Heritage Grant totalling £300,000 over the next three years to support learning and community engagement staffing and project costs across the region;
 - Development of engineering training workshops following confirmation of a £270,000 donation that has been received by the Beamish Development Trust. Engineering training workshops will help support transport operations and provide dedicated facilities for schools, volunteer groups, apprentices and staff. A project plan is being prepared for Joint Committee approval later in the year.
 - A Friends campaign for individual donations in support of the Hetton Silver Band Hall appeal, offering people the chance to 'buy a brick'. The Friends have adopted the Hetton Band Hall project and will be raising as much funding as possible to support it over the coming months. Fundraising for individual projects is a new development for the Friends, and their help and encouragement is very much appreciated;
 - A co-ordinated museum campaign to encourage legacies, working with the Friends and the BDT;
 - A refresh of the benefits offered to Friends, with a view to increasing membership from c.1500 to 5,000 over the next three years. Work is underway with the Board of the Friends. Friends will continue to enjoy free access to the museum. For an additional donation over and above the basic membership fee (£28), it is proposed that the museum offers half price entry for up to 2 guests when they visit with a Friend. It is also proposed to produce a new museum magazine, incorporating the existing Friends newsletter;
 - An application to Esmee Fairburn to support activity costs for schools and community groups engaged by the museum learning and outreach team;

- Fundraising within the region to support school transport and activity costs, targeting schools who do not typically visit museums;
- Fundraising for the completion of the restoration of the locomotive 'Lewin'.
- Fundraising for the sponsorship of trams and buses, to help support their ongoing maintenance/restoration;
- Relaunch of the Business at Beamish scheme and promotion to local businesses;

Approvals sought

- Progress with the delivery of the Business and Operational Improvement Plan as outlined in the report.

3. Long term development plan progress report

- 3.1 Working groups involving staff from across the museum are developing the key priorities of the long term plan. Their initial report will be available in the autumn, outlining the approach to be taken across the 12 themes of the plan. Key areas include the development of existing period areas, the potential for developing new period areas in the future, accommodation and evening use.
- 3.2 A market research project is underway this summer, increasing the quality of the data gathered from visitors to the museum and carrying out focus groups to test some of the ideas being developed in the plan. Beamish has engaged the consultancy FEI to help support this work, which will help inform both the long term development plan and the day to day operation of the museum. A number of consultation events for key stakeholders are being organised around the region in November, to further inform the development plan.
- 3.3 The museum has engaged Price Waterhouse Coopers to provide some VAT advice with respect to the long term plan, to ensure the proposals address any relevant issues.
- 3.4 Museum staff continue to visit relevant comparative sites both in the UK and abroad to inform the proposals. Staff developing skills training have visited the Weald and Downland Museum in West Sussex, which offers a range of fee paying short courses in heritage skills. A visit to Denmark is being planned to research their 'House of Memories', a dedicated facility for people suffering from dementia that has been developed with the local/regional health authority and the museum, offering services to local people.
- 3.5 The Museum Director is reviewing the procurement strategy for the capital works in the development plan, and considering the extent to which the works can be carried out by in-house building teams with a significant element of training for apprentices/young people. A report will be available early in 2012.
- 3.6 The first draft of the development plan for 2013 – 2025 will be available in Spring 2012. The outline business plan will include financial modelling of the key

development proposals, to ensure they are achievable, fundable, and sustainable.

4. The future for Renaissance in the Regions – latest developments from the Arts Council

4.1 The Arts Council (ACE) has recently announced that that it may be changing the ‘core museums’ and ‘challenge funding’ model it inherited from the Museums Libraries and Archives Council, which was to provide the structure of Renaissance funding for museums in the regions from April 2012. In its place ACE will provide what has been described as ‘major’ funding for a few, large regional museums and ‘strategic’ funding for the remainder. It is not clear whether Beamish is considered to be a ‘major’ museum – and whether it could receive funding to manage its work with schools and communities across the North East region. Details will be issued in September, but this could suggest that ACE may be moving to fund museums in a similar way to other arts organisations. Alternatively, it could mean that ACE has simply found some new words to describe exactly the same model. There is no guidance available at present to help us plan for the coming financial year. The grant structure for museums will not be available for review until September 2011 and funding for 2012/13 is unlikely to be confirmed until early 2012.

4.2 The outlook, sadly, does not look very positive. There may be a risk that ACE funding will be used to support museums across the country that are facing cuts in local authority funding, and museums like Beamish who are more self-sufficient may receive a dramatic cut in Renaissance funding from 2012. Beamish currently receives around £0.3M from the MLA to support its collections, communications, business planning and learning programmes and this funding has already been reduced by 15% in 2010/11. Once the guidance is available from ACE, a report will be prepared for consideration and a strategy developed for programmes from 2012/13.

RICHARD EVANS
Director
30th August 2011