



Joint Committee of Beamish, the North of England Open Air Museum
12th November 2010

Museum Update - Report of Museum Director

1. Performance for the 9 month period 1st February to 31st October 2010

	Actual YTD 2010/11	Original Budget YTD 2010/11	Previous YTD 2009/10
Visitor numbers	384,804	298,000	344,212
Variance (%)		29%	12%
Income (excluding grants)	£4,992,657	£4,326,293	£4,743,656
Variance (%)		15%	5%

- 1.1 The Museum's performance has continued to be excellent during the autumn period. Visitor numbers are 29% ahead of budget forecast and 12% up on the same period in 2009. The Museum is on track to welcome more than 415,000 visitors this year.
- 1.2 A revenue budget review has been completed for Beamish Museum Ltd for the period 1st February to 30th September 2010. The review forecasts that the Museum will achieve an operating surplus in excess of in the financial year to 31st January 2011, in excess of £700,000, as a result of the increase in visitor numbers.
- 1.3 The Museum management team have been analysing the visitor trends and considering the reasons for the growth in visitor numbers in 2010. A report is being prepared which will include evaluation from site surveys and results from comparable attractions and museums across the country. Initial results appear to show that the 2010 season has been 'patchy'. Some operators such as the Welsh Highland Railway are reporting a good year with 5 - 10% growth. Many sites however are reporting a decline in visitor numbers this year, following on from a relatively successful season in 2009.
- 1.4 Beamish's performance has been boosted by the success of the Beamish Unlimited scheme, which now has around 125,000 members. The success of the scheme has resulted in an increase in repeat visitors to events and seasonal activities. There has also been an increase in UK holidaymakers visiting the Museum from outside the region. Beamish welcomed 78,761 visitors in August 2010 against a budget forecast of 66,000 and a total of 71,165 in 2009. Visit County Durham has at the same time reported a 16% increase in overnight stays in the county.
- 1.5 Major events continue to successfully drive footfall during the shoulder months. 7,187 people attended the Agricultural Show from 16 - 19 September. A further 13,092 visitors

attended the Great North Steam Fair from 2 – 5 September, a remarkable result since it represents a 107% increase on the previous year's event.

- 1.6 A total of 41,629 visitors came to Beamish during the month of October. This is an increase of 8% on October 2009 and 19% ahead of the budget forecast. Visitor numbers were boosted by October half term activities and two very popular 'Halloween' evening events, which attracted 3765 people.
- 1.7 The Museum is now preparing for the Christmas at Beamish event from 20th November to 2nd January. This year the weekend offer during the Christmas season has been expanded to feature the Edwardian Town Christmas with shopping in the Co-op; a Victorian Farm Christmas at the Home Farm with home cooking; an Edwardian Pit Village Christmas with ice skating; and finally the fireside Grotto at Pockerley with the Steam Galloper ride. Two evening events will remain focussed on the Edwardian Town, but will also include 12th Night at Pockerley Old Hall, real ice skating and the Grotto this year. Tickets are now on sale online and at the Museum.

2. Admission Policy for 2011/12

- 2.1 The Board of Beamish Museum Ltd has approved a change to the admission policy to take place with effect from 1st April 2011. A review of the 2010 admission policy was completed as part of a wider review of progress delivering the Business and Operational Improvement Plan at the Museum. It was informed by consultation with staff as well as visits to comparative sites.
- 2.2 The Museum currently operates a seasonal pricing structure with three levels of ticket prices during the Summer season (April – October); Winter season (early November and January – March); and Christmas season (mid-November – December). Some of the period areas at the Museum are closed during Winter and Christmas seasons, and the admission fee to the Museum is reduced as a result during these periods. Beamish is also only open on 5 days per week during the Winter and Christmas seasons from November to March, closing on Mondays and Fridays.
- 2.3 Under the new admission policy from 1st April 2011, it is proposed to continue to expand the experience that Beamish offers its visitors year-round. A 12 month calendar of activities and events at the Museum is planned from 2011, which will allow the Museum to open more of its period areas at weekends throughout the year. From 1st April 2011 the Museum's year-round weekend offer will include the Edwardian Town, Pit Village, Victorian Home Farm and Pockerley Old Hall.
- 2.4 As a result of the changes it is proposed to sell all visitors a 'Beamish Unlimited' annual ticket at weekends throughout the year from 1st April 2010. The price of the ticket will remain unchanged and they will remain valid for an unlimited number of visits for 12 months from the date of purchase. Day tickets will be discontinued, apart from on midweek days (Tuesdays-Thursdays) from November to March, when a 50% discount on admission will be offered to reflect the fact that the Home Farm and Pockerley Old Hall areas of the site are closed. The Museum will also continue to close on Mondays and Fridays during the winter period, from November to March.

2.5 Ticket prices for the Museum have been held at 2010 prices.

	All Year Unlimited Ticket	Mid-Week Winter Discount (Nov – March)	Groups and Special Tickets
Adult	£16.00	£8.00	
60+	£13.00	£6.50	
Child	£10.00	£5.00	
Student	£13.00	£6.50	
Family 2+2	£46.00	N/A	
Family 1+2	£32.00	N/A	
Group Adult		£6.00	£11.00
Group 60+		£6.00	£10.00
Group Child		£6.00	£6.00
Education		£5.00	£6.00
Special		£5.00	£5.00
Corporate Adult			£7.00
Corporate Child			£5.00
Evening Adult			£12.00
Evening Child			£12.00

2.6 Admission ticket prices to the Museum have not been increased, in order to continue to encourage as many visitors as possible to visit Beamish year-round and ensure that the experience is as affordable as possible. The Museum has not increased its admission fee for four consecutive years and numbers have increased as visitors have appreciated the value of the Beamish Unlimited ticket. Although the day admission price will increase at weekends over the winter period from 1st April 2011, this is a result of the Museum operating the Beamish Unlimited ticket system year-round and expanding its offer out of the main Summer season, opening more areas of the site.

2.7 The Museum has prepared a financial forecast forecasting the number of visitors it expects to welcome in 2010/11. A prudent approach has been taken in preparing the estimates. Although Beamish expects to welcome more than 415,000 visitors in 2010/11, the forecast for 2011/12 has been set at 366,000. This estimate includes 284,416 'first time' paying visitors and 81,584 repeat visitors. It is estimated that 366,000 visitors in 2011/12 would generate more than £3 million in admissions income. Changing the seasonal pricing structure and selling the Beamish Unlimited ticket all year round is forecast to increase income from Gift Aid from £395,000 per annum to over £0.5 million.

3. MLA/Renaissance funding

- 3.1 As members will be aware, the Department of Culture, Media and Sport (DCMS) has announced that the Museum Libraries and Archives Council (MLA) will cease to exist after 31st March 2012. The MLA currently funds the Renaissance programme for museums in the regions and Beamish is at risk of losing circa £400,000 of revenue funding per annum from 31st March 2011, should the government announce the closure of the programme.
- 3.2 An announcement from the DCMS regarding the future of Renaissance is expected in the next few weeks. The MLA is currently advising that there will be a transitional fund for Renaissance in 2011/12 financial year, with an estimated 20% reduction in funding on 2010/11 levels. Over the 2011/12 financial year the MLA is intending to dismantle the regional museum 'Hubs' and establish a smaller number of 'core museums' around the country. They are also proposing to phase out Renaissance funding and replace this with 'Challenge Funding' for regional museums like Beamish that have been members of the Museum Hubs.
- 3.3 The Board of Beamish Museum Ltd will consider revenue budget estimates covering the next two years of operation at their meeting on 12th November 2010. It is currently assumed that Renaissance funding will be cut by 20% from 1st April 2011
- 3.4 Compared with many other museums faced with similar reductions in external funding, Beamish is in a relatively robust position. It is estimated that Renaissance funding will represent around 7% of the Museum's turnover of circa £6 million in 2010/11. Beamish's annual revenue expenditure of circa £4.5 million is supported in the main by income from visitors to the Museum.
- 3.5 Measures have already been put in place to help manage the potential impact of a decline in Renaissance funding. For the past year Beamish has been working with its partners including the Beamish Development Trust, and actively seeking alternative sources of external funding for projects and services that have been supported by Renaissance in the past. Fundraising has initially focussed on support for the Museum's Learning and Access team, who work with schools and community groups across the region. An application to enable Beamish to further develop its outstanding work in this area for 3 years from 1st April 2011 will be considered by the Heritage Lottery Fund in December this year.

4. Long term business planning

4.1 The Museum's management team have begun to consider some of the key strategic issues that will underpin the long term business and development plan.

4.2 The topics and themes currently being discussed in terms of the strategic plan are:

Admission & ticketing systems
Income from secondary spend (during the day)
Making the most of our assets: evening use
Making the most of our assets: new businesses
Making the most of our assets: accommodation
Time periods & collections development
Transport systems
Methods of how we tell the stories & engaging with visitors
Learning & Community Engagement
Skills development
Audience Development & Marketing
Making the most of our resources: environmental issues
Business Models, HR & Governance Issues
Risk Management

4.3 Consultation events with the BML Board, Joint Committee and all key stakeholders including local authority partners are now being planned for early 2011.

5. Priorities for the next period

- Continue to monitor performance weekly to maximise income and year end surplus
- Complete a review of progress delivering the Business and Operational Improvement Plan in 2010
- Prepare forward plans for the entrance building and catering operations
- Continue to monitor developments with the North East Museums Hub and prepare a transitional business plan for 2011/12, for MLA approval.
- Finalise design and fix costs for entrance building and tea room kitchen extension building package, including the introductory exhibition.
- Complete retail fit out works.
- Complete preparations for Christmas at Beamish.
- Continue development of long term business and development plans.
- Continue to manage construction projects underway (tea room ramp/fish & chip shop).
- Organise consultation events at Beamish and around the region for long term business planning.
- Consult with staff on new health and safety policy
- Update Museum's Risk Register including revised capital programme.

Richard Evans, Director
2nd November 2010