

Corporate Policy Development and Scrutiny Panel

Date: Tuesday, 12th March, 2024

Time: 4.00 pm

Venue: Council Chamber - Guildhall, Bath

Councillors: Robin Moss, Lucy Hodge, Ian Halsall, Oli Henman, Hal MacFie,
Onkar Saini, Toby Simon, Malcolm Treby and Colin Blackburn



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NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: <https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1>

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

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Corporate Policy Development and Scrutiny Panel - Tuesday, 12th March, 2024

at 4.00 pm in the Council Chamber - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS
2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS
4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

- (a) The agenda item number in which they have an interest to declare.
- (b) The nature of their interest.
- (c) Whether their interest is **a disclosable pecuniary interest** or an **other interest**,
(as defined in Part 4.4 Appendix B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN
6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. MINUTES (Pages 7 - 12)
8. CABINET MEMBER UPDATE

The Cabinet Member will update the Panel on any relevant issues. Panel members may ask questions on the update provided.
9. HERITAGE SERVICES BUSINESS PLAN (Pages 13 - 42)
10. COMMERCIAL ESTATE UPDATE (Pages 43 - 48)
11. PANEL WORKPLAN (Pages 49 - 50)

This report presents the latest workplan for the Panel. Any suggestions for further items or amendments to the current programme will be logged and scheduled in consultation with the Panel's Chair and supporting officers.

The Committee Administrator for this meeting is Michaela Gay who can be contacted on michaela_gay@bathnes.gov.uk, 01225 394411.

BATH AND NORTH EAST SOMERSET

MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL MEETING

Tuesday, 23rd January, 2024

Present:- **Councillors** Robin Moss, Lucy Hodge, Ian Halsall, Oli Henman, Hal MacFie, Onkar Saini, Toby Simon, Malcolm Treby and Colin Blackburn

Apologies for absence: Councillors:

47 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

48 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the emergency evacuation procedure.

49 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were none

50 DECLARATIONS OF INTEREST

Councillor Lucy Hodge stated that, as Cabinet Lead for Highways, she had been involved in conversations about the budget and so for transparency purposes, would not take part in the debate on that item.

Councillor Oli Henman stated that, as Cabinet Lead for Climate Emergency and Sustainable Travel, he had been involved in conversations about the budget and so for transparency purposes, would not take part in the debate on that item.

51 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

52 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

Councillor Shaun Hughes made a statement regarding emissions based parking charges in Midsomer Norton. A copy of the statement is appended to these minutes.

Following a question from Councillor Blackburn regarding WECA funding, Councillor Hughes explained that this had been limited investment for a redevelopment of the town square and town hall.

Councillor Halsall asked if there was evidence of people parking for more than 2 hours. Councillor Hughes explained that there has been no feasibility study, there is little evidence and the impact has not been assessed.

Councillor Moss raised the issue of collecting money – he asked how often parking enforcement officers were in the area. Councillor Hughes stated that it was on average every 3/6 months.

Becky Brooks (Director 3SG – Supporting Charities & Social Enterprises in BANES) made a statement on the budget proposals.

In response to a question from Councillor Henman, Becky Brooks explained that she has asked for a breakdown in terms of groups effected by the proposed cuts and will wait to see the detail.

Councillor Blackburn as if 3G had been asked for any input on the proposals. Becky Brooks explained that they had not been contacted.

Councillor Moss stated that the work that the 3rd sector does is valued. Becky Brooks stated that she would welcome an opportunity to get around the table to discuss the proposals. A huge amount of anxiety is being felt.

The Chair explained that a question and answer document had been circulated to Panel members and will be attached to these minutes. Questions had been received from:

Councillor Eleanor Jackson

Becky Brooks (Director 3SG) regarding budget proposals

53 MINUTES

The Chair explained that minutes for both the 16th January 2024 and this meeting would come to the March meeting of the Panel for approval.

54 BUDGET AND COUNCIL TAX 2024/25 AND FINANCIAL OUTLOOK

The Cabinet Member for Resources, Councillor Mark Elliott, introduced the item (officer support Andy Rothery, Executive Director - Resources). Councillor Elliott explained that it had been a very difficult budget setting round, the cost of living crisis equally effects the Council with the added demand in social services. He added that, despite this, he is pleased to present a robust and balanced budget proposal. He stated that he had heard representations from the third sector and would be considering what could be done. The Executive Director explained that this was the most difficult budget he had worked on.

The Chair invited Councillor Dine Romero, Chair of the Childrens, Adults, Health and Wellbeing PDS Panel, to make a comment on the budget proposals on behalf of her

Panel. Councillor Romero first highlighted that the word ‘overspend’ was used regarding Children’s Services for example but a better phrase would be ‘increase in demand’. She explained that the Panel had picked up on a lack of detail in the budget proposals. She stated that there are concerns on the budget proposals but everybody understands the position. She stated that there was a lack of clarity on when the cuts would come in to play which was leading to more anxiety in the sector. She urged the Cabinet Member to reconsider the cuts put forward and at least work with the 3rd Sector to explore timescales as they are often providing preventative services.

The Chair invited Councillor Andy Wait, Chair of the Climate Emergency and Sustainability PDS Panel, to make a comment on the budget proposals on behalf of his Panel. Councillor Wait stated that he sympathized with the Cabinet Member’s position which was caused by unfair treatment from central government who did not seem to appreciate the services of local authorities. Regarding the Climate Emergency area – he stated that there was now a small team in place and the Panel considered policies that are driven by the Climate Emergency such as Liveable Neighbourhoods and the Clean Air Zone. He stated that the issue of parking charges in Midsomer Norton came up at the Panel meeting. He added that difficult decisions have to be made. He congratulated Councillor Sarah Warren and the Climate Emergency team on their achievements so far.

The Chair, Councillor Robin Moss explained that he would be making statements at Cabinet and Council reflecting general comments of PDS Panels.

Panel members raised the following points and asked the following questions:

Councillor Halsall asked for confirmation that Council would formalise the budget on 20th February and that the Council is not in a section 114 situation. The Cabinet Member confirmed this.

Councillor Halsall referred to the change of format regarding Council Tax relief which people can be signposted to. The Cabinet Member stated that he was pleased to have passed this adjustment which will help those most vulnerable.

Councillor Halsall asked if the Cabinet Member would sit down and have a discussion with the 3rd sector. The Cabinet Member confirmed that he would do that, he stated that he wanted to engage the 3rd Sector and work with them not ‘do to’ them and use a scalpel and not a machete. He stated that the 3rd sector do extremely important work and save the Council money downstream. He apologized that the budget proposals came late on and as a shock to them, he explained that savings had to be found at a late stage. He will work with them.

Councillor MacFie asked if the income and savings target of £16.82m would mean lost services. The Cabinet Member stated that he had confidence in the budget, it had been through strong internal challenge and was a robust budget with a risk reserve.

Regarding a question from Councillor MacFie on business rates retention, the Executive Director explained that there was a business rates review in the future so there is no exact figure on this at the moment.

Councillor Romero stated that she welcomed the Cabinet Member's words around the 3rd sector and asked for more clarification around timings. The Cabinet Member stated that he heard what had been said. Around timings – he explained that each contract had different end times and it would depend on each contract. He stated that he could guarantee a reasonable approach and no cliff edge.

Councillor Sani asked if relationships with the voluntary sector would be maintained and strengthened with adult services being brought in house. The Cabinet Member confirmed that details would be worked out with the relevant Cabinet Members.

Councillor Sani asked about inflationary pressure. The Executive Director explained the need to be prudent and the fact that it was unlikely costs would come down.

Councillor Sani asked if there is a possibility of additional revenue generation in future years. The Cabinet Member stated that there is now a more entrepreneurial approach and current investment in schemes such as Bath Quays and the Fashion Museum which would be future income streams.

Councillor Blackburn stated that he appreciated the work being done but asked about the way it had been done in that, 5 years into the administration, the 3rd sector had not been engaged with. The Cabinet Member explained that the savings plan came late and he would not have wanted things to happen like that but it was a process issue. He added that contracts would be coming back in house which had been outsourced for 10 year and Cabinet Members would want to engage.

Councillor Blackburn stated that he understood Councillor Romero's point regarding wording 'overpend' when it is 'pressure' – he asked about plans to mitigate the uplift in need. Councillor Romero explained that costs had risen (for example in agency staff) as well as the increase in those needing provision. She explained that for some, investment in preventative services would be useful – an example would be that more local SEN (Special Educational Needs) provision would impact on the current spend on transport (to provision outside of the area).

Councillor Blackburn stated that the authority benefits from income regarding Heritage and Parking. He added that the Commercial Estate was the golden egg. He asked about the impacts of parking charges. The Cabinet Member explained that he understood that parking charges cannot keep going up. He explained that the Commercial Estate was functioning better than in the past – around 7% and the Roman Baths were taking more money per visitor now.

Councillor Treby asked about the 3G proposed cuts and impact on the budget. The Cabinet Member stated that there was a need to engage with them so as not to have an impact further down the line on statutory services. We will look at value for money with each contract.

Councillor Treby asked if the borrowing position per resident was favourable and how the budget affects this position. The Executive Director explained that this moves up and down and has been below the limit through the budget process.

Councillor Hodge asked how the home to school transport provision compared to other authorities, the Cabinet Member explained that the area is escalating as it is for many Councils. All packages are being reviewed internally and provision for each child is being assessed. This is a national market failure – help from Government is needed.

In response to a question from Councillor Simon on the Dedicated Schools Grant (DSG), confirmation was given that the overspend linked to the High Needs Block did not place a risk on the general fund as the DSG does not cover the statutory responsibilities the council has towards parents. We do not believe the Government would remove the statutory override.

Councillor Simon asked if there was a robust estimate regarding homelessness and hotels. The Cabinet Member explained that costs had risen dramatically and there is a move to bring some properties back in use for homelessness provision.

Councillor Moss identified some themes – we are in this position due to decisions in Central Government; the Dilnot Report identified that the Adult Support system was broken 13 years ago and there is a lack of detail in Child and Adult social care budget proposals. Regarding home to school transport – not sure the LGA (Local Government Association) work is picked up locally. Regrading the Commercial Estate - improving performance is welcomed, the Panel wish to further scrutinize this area - in the past, information had been opaque and other members excluded. Panel members agreed to include this on the forward plan for further scrutiny. Breakdown of commercial estate income from corporate estate returns was required for auditing purposes.

Councillor Moss stated that it would be useful for the Panel to see more information on the usage of agency staff and consultants by the authority. The Cabinet Member confirmed that consultancy would only be used when there was insufficient expertise/resource internally.

In response to a question from Councillor Moss, reassurance was given that discussions were taking place about any housing revenue requirements on the council in consideration of statutory thresholds.

Councillor Moss stated that there was a potential consequence to footfall for local business if parking charges are brought in for Midsomer Norton and he suggested that the Cabinet row back from this proposal.

Councillor Moss asked if there was any detail regarding a parish and town Council precept. The Executive Director reported that there is no information on this yet and it would be reported to Council.

The Panel **RESOLVED** to pass the following comments on to the Cabinet and Council for their consideration of the budget:

- I. The panel recognised the challenging financial circumstances faced by the council and thank officers for their work in developing a draft balanced budget;
- II. To request that Cabinet fully examines the potential downstream effects in response to its third sector budget proposals;
- III. To request that home to school transport arrangements are subject to review to explore potential savings;
- IV. To agree to add scrutiny of the commercial estate to the panel’s workplan
- V. To ask cabinet to fully examine the impact of the parking income proposals for Radstock and Midsomer Norton and to report next steps to the Climate Emergency and Sustainability Panel

55 PANEL WORKPLAN

The Panel noted the future workplan with the following additional items:

Commercial Estate

Aequus (consultants and tendering process)

The meeting ended at 5.50 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING DATE:	7th March 2024	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3502
TITLE:	Heritage Services Business Plan 24-29	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report: Heritage Services Business Plan Heritage Services Business Plan Risk Register</p>		

1 THE ISSUE

1.1 This is the update of the Heritage Services Business Plan 2024-2029. It covers the five financial years from 2024/25 to 2028/2029, and has been prepared following the annual in-depth review of business activity. The revised Plan includes an analysis of the risk involved.

2 RECOMMENDATION

The Cabinet is asked to;

2.1 Approve the Heritage Services Business Plan 2024 - 2029

3 THE REPORT

The report introduces the Heritage Services business plan going to Informal Cabinet on 20th February 2024 and Cabinet on the 7th March 2024.

This is the annual revision of the Heritage Services Business Plan (the Plan). This revision of the Plan sets out the Services' Vision and Mission as it recovers from the impacts of the COVID-19 pandemic, responds to the changing economic situation and its impact on the Council's visitor businesses.

Heritage Services expects to deliver a financial surplus in 2024/25 of £12.2 million. This will exceed pre-pandemic income and profit although visitors will still not have returned to 2019 levels.

The Service will use the carbon baseline work undertaken during 2023 to inform its ongoing response to the climate and ecological emergency. The actions required to achieve net zero by 2030 will be set out and costed during 2024.

The Service will commence design work for the new Fashion Museum within the Milsom Quarter and continue to develop plans for the creation of a Fashion Collection Archive in Locksbrook, in partnership with Bath Spa University. Following repairs to the Victoria Art Gallery roof it will reopen the Upper Gallery, providing free access to the Council's art collection along with the creation of a new, community engagement space in the Gallery footprint.

The Service is committed to ongoing investments to safeguard and preserve the Council's heritage assets, to elevate the visitor experience and optimise commercial performance. and developing the skills of its staff to effectively achieve the outcomes outlined in the Plan.

In 2024, at the request of the Director of Sustainable Communities, the Service will review its relationship with the Council as set-out in the original Cabinet Decision in 2004 that established the Service as an Independent Business Unit. This will consider the role of the Heritage Advisory Board in providing external quality assurance as part of the yearly budget setting process. This may require a revision to the original Cabinet paper from 2004.

A provisional capital budget was added to the capital programme for the financial years 2024/25 to 2028/29 for Fashion Museum Renovation. The next key milestones for the project are to achieve RIBA stages 2 (concept design) and 3 (spatial co-ordination) which will link to submission of planning documents. The Business plan refers to the plan to fully approve an agreed amount of capital budget in 2024/25 to progress the project beyond the early-stage work currently being charged to the revenue budget. This approval of capital budget will be timed for when we have greater certainty on cost estimates. All decisions to proceed with the project will be managed via the B&NES Gateway process and the approval processes for the provisional and approved capital programme budgets.

Whilst not a main theme of the Business Plan the Service will also be working to create a corporate approach to Culture for B&NES. This will include:

- An audit of current cultural activity delivered by Council staff including Heritage Services, Libraries, Regeneration and Green Infrastructure
- An audit of cultural infrastructure in B&NES – both venues/attraction and groups/organisations
- An integration of Council cultural activity (with a focus on Heritage Services Community Engagement work) into the nascent delivery of the Joint Health and Wellbeing Strategy
- An inclusion of principles relating to Culture in key Corporate strategies including the Local Plan, Transport Action Plan, Skills Plan and any other planning deriving from the Economic Strategy

This work will inform a public facing, corporate approach to Culture in the Authority with the aim to:

- Ensure Council cultural activity is as targeted as possible to deliver on the Corporate Strategy and other key strategic plans

- Understand and explain how and why the Council will support culture in B&NES
- Demonstrate to funders that the Local Authority is committed in a meaningful way to culture (thereby encouraging funding in Council and 3rd party cultural activities)
- Allow the Council to actively support a vibrant cultural sector in the Authority
- Be responsive and complementary to the regional cultural picture as denoted by the WECA Cultural Compact

4 STATUTORY CONSIDERATIONS

4.1 N/A

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The Plan 23/28 plan is deliverable within current resource limits. The outer years of the plan will be reviewed year on year to assess any foreseeable resource implication.

6 RISK MANAGEMENT

6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

7.1 The plans for the Service to make meaningful progress to be more Equitable, Diverse and Inclusive are included in the Plan

8 CLIMATE CHANGE

8.1 The plans for the Service to make meaningful progress towards net 0 are included in the Business Plan

9 OTHER OPTIONS CONSIDERED

9.1 N/A

10 CONSULTATION

10.1 The Business Plan has been reviewed and approved at both the Council's Corporate Management Team and Informal Cabinet

Contact person	<i>Robert Campbell +44(0)7815 018899</i>
Background papers	<i>Heritage Services Strategy Heritage Services Annual Report Heritage Services Business Plan 23-28</i>
Please contact the report author if you need to access this report in an alternative format	

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Heritage Services Business Plan 2024–2029

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1. Summary

This is the annual revision of the Heritage Services Business Plan (the Plan). This revision of the Plan sets out the Services' Vision and Mission as it recovers from the impacts of the COVID-19 pandemic, responds to the changing economic situation and its impact on the Council's visitor businesses.

Heritage Services expects to deliver a financial surplus in 2024/25 of £12.2 million. This will exceed pre-pandemic income and profit although visitors will still not have returned to 2019 levels.

The Service will use the carbon baseline work undertaken during 2023 to inform its ongoing response to the climate and ecological emergency. The actions required to achieve net zero by 2030 will be set out and costed during 2024.

The Service will commence design work for the new Fashion Museum within the Milsom Quarter and continue to develop plans for the creation of a Fashion Collection Archive in Locksbrook, in partnership with Bath Spa University. Following repairs to the Victoria Art Gallery roof it will reopen the Upper Gallery, providing free access to the Council's art collection along with the creation of a new, community engagement space in the Gallery footprint.

The Service is committed to ongoing investments to safeguard and preserve the Council's heritage assets, to elevate the visitor experience and optimise commercial performance. and developing the skills of its staff to effectively achieve the outcomes outlined in the Plan.

2. Service Vision and Mission

A document outlining the Service's strategy 2022 – 2027 can be found [here](#).

2.1. Bath and North East Somerset [Corporate Strategy](#)

Bath and North East Somerset Council (B&NES) has one overriding purpose – to improve people's lives.

It has two core policies – tackling the climate emergency and giving people a bigger say. Further to this it has three principles that translate its purpose into commitments: prepare for the future, deliver for local residents and focus on prevention.

The Corporate Strategy has nine priorities for the period 2023-2027. Heritages Services feels that it can contribute significantly to 7 of these through its current and future activities:

- Clean, safe and vibrant neighbourhoods - working with local communities to promote civic pride and preventative approaches
- Support for vulnerable adults and children – securing safe, effective services that meet the needs of our changing population
- Delivering for our children and young people – working with our partners to narrow the early years attainment gap
- Healthy lives and places – working with health and other partners to tackle inequalities, promote healthy places, and support people to live healthier lives
- Good jobs - aiming to increase the median wage in a regenerative economy
- Skills to thrive - an inclusive economy where prosperity is shared
- Cultural life - valuing and developing its contribution to Bath and North East Somerset.

To this end we will be aligning a lot of the work we undertake against key Council documents including the [Health and Wellbeing Strategy](#), the Economic Strategy with the data contained within the [Strategic Evidence Base](#) underpinning how we direct many of our activities.

We are proud to be a Service that is part of B&NES and everything we do is dedicated to delivering on the purpose, principles, commitments and priorities of the Council. This is evident throughout the content of this plan.

2.2. Vision

The Service's vision is to: **Learn from the past, understand the present, shape the future**

There are three over-arching aims to achieve between now and 2030:

- Return the Service to pre-COVID profitability;
- Move the Fashion Museum;
- Achieve Net Zero.

2.3. Mission

The Service's Mission is to:

- Create memorable, relevant and emotionally charged experiences for local, national and international audiences;
- Conserve the monuments, buildings and collections in our care;
- Be supporter centric – building long-term, mutually beneficial relationships with people who engage with us;
- Act commercially to generate significant income from our activities and work to contribute to the wider economic prosperity of the region;
- Offer an unparalleled customer experience for everyone;
- Be a leader in sustainable and responsible practice in the Museums, Heritage and Archive sector.

2.4. Strategic Priorities

The Service has six strategic priorities which it will deliver on over the course of the Plan:

1. To provide maximum access to our buildings, monuments and collection to as wide an audience as possible to facilitate learning, understanding and emotional connection;
2. To be a supporter focussed organisation;
3. To maximise income;
4. To operate efficiently and effectively as an organisation;
5. To bring benefit to Bath, the South-West and the UK;
6. To act as an environmentally sustainable and responsible organisation in everything we do.

3. Business Strategy

3.1. Performance Overview

Roman Baths

Visitor numbers at the Roman Baths have exceeded budget throughout 2023/24. During Q3-4 of 2022/23 the COVID recovery accelerated, stimulated by significant changes in the value of the Pound in the autumn 2022. Figure 1 below shows footfall relative to budget, pre-pandemic and prior year.

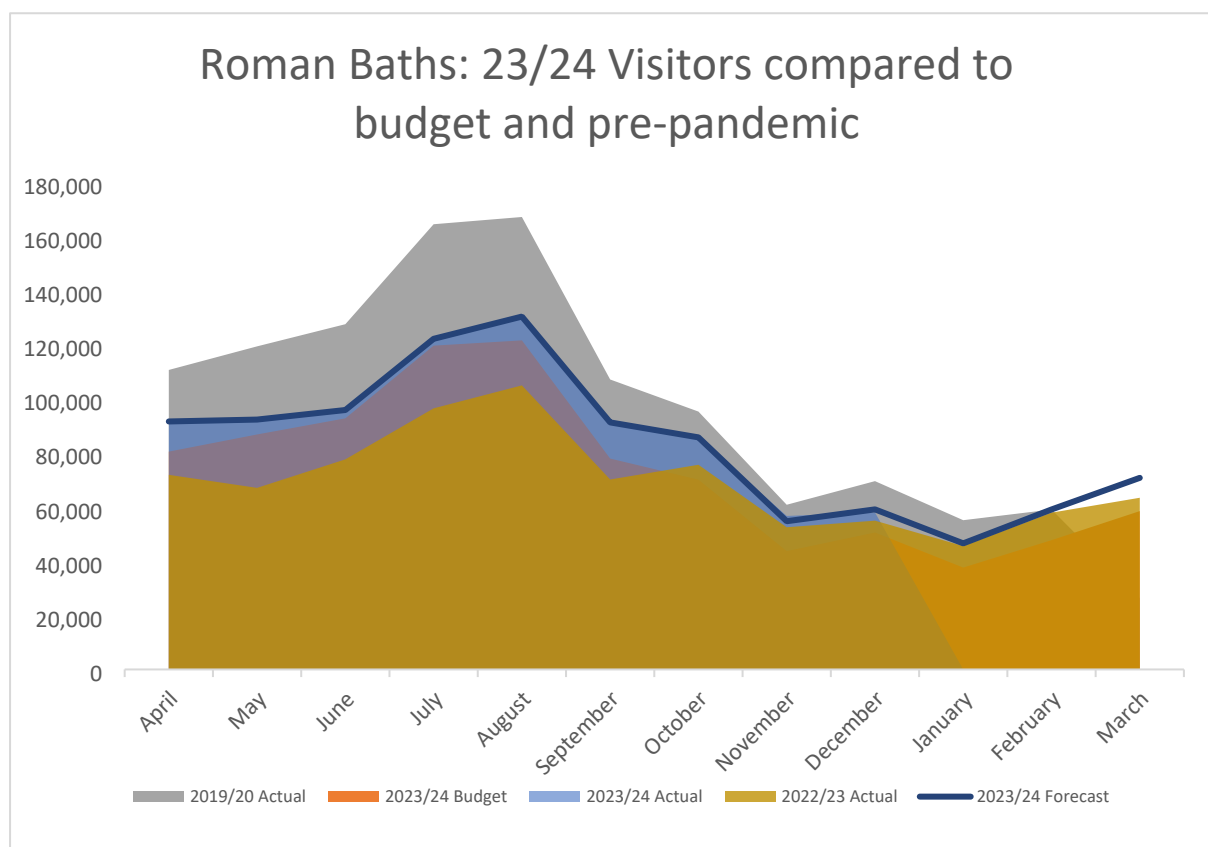


Figure 1: 23/24 Financial Year Roman Baths visitor numbers

Cost of living pressure is having an impact on the visitor economy. People are taking fewer trips, however spend per trip is higher, as people focus on deliberate memory making in special places. During summer 2023, the Roman Baths prospered in this environment; the torchlight evenings, Champagne bar and marketing focus on the 2000 year's of history to be experienced have delivered on visitor aspirations for an immersive, unique and memorable experience.

The current forecast for visitors in 2023/24 has increased from a budget of 888,000 to 1,000,000.

The [AB socio-economic demographic](#) of visitors to the Roman Baths has afforded some protection from the inflation pressures in the economy and Roman Baths has historically performed well during a recession, particularly when GBP is weak as inbound tourism is stimulated and domestic visitors chose to stay in the UK rather than travel abroad. These external factors, coupled with the continued investment to guarantee high quality visitor experience, have supported strong visitor numbers in 2023/24.

This increased footfall has translated to improved income forecast for retail where the growth in spend per visitor, which was reported last year, has been sustained. Investment has also been made in the Roman Baths shop which has led to an improvement in the average transaction value.

One of the ongoing restrictions on post-COVID recovery has been reduced visitor numbers from China. China reopened its borders fully during 2023, with the UK added to the list of approved destinations in August. Visits from China to the UK are still significantly lower than 2019; Mandarin uses of the audioguide at the Roman Baths are 48% lower than 2019. Visit Britain currently forecast inbound Visits to China will recover to 2019 levels by 2026, the uncertainty associated with the recovery of this market is further commented on in section 4.

The chart below provides a longer-term view of the pandemic's impact and recovery, shown alongside the visitors to Department of Culture Media and Sport (DCMS) funded museums (chosen as comparators due to their high visitor numbers, national significance and large tourist markets and including: the Science Museum, V&A, Natural History Museum) over the same time period.

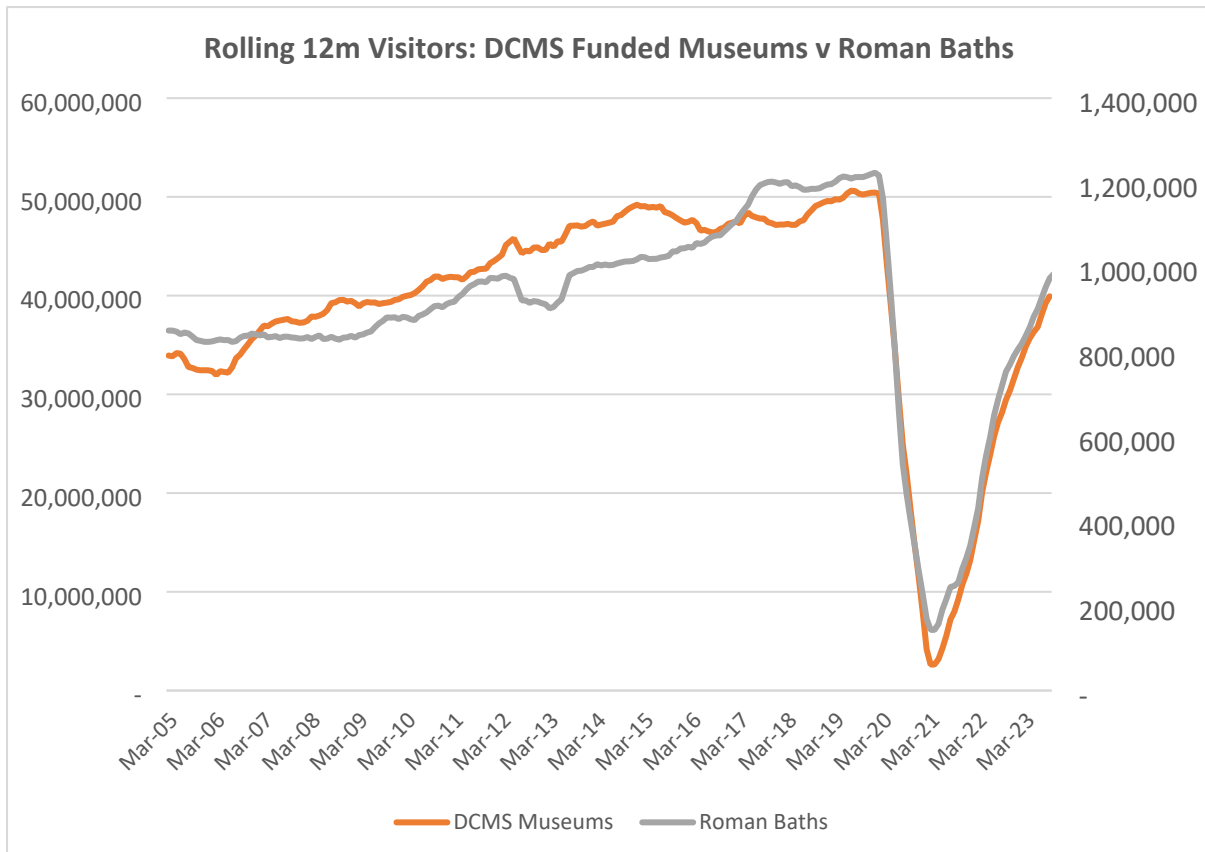


Figure 2: Rolling 12 month DCMS funded museum and Roman Baths visitor numbers

The chart shows that the impact of COVID was even more acutely felt in the (heavily London weighted) based DCMS portfolio; the Roman Baths lost 88% of visitors compared to 95% for the DCMS sites. The Roman Baths has recovered a further 21% of pre-pandemic visitors over the 12 months to September 2023. At the end of September, the Roman Baths has recovered to 80% of January 2020 compared to 79% for the DCMS museums.¹

The recovery pace seen in the first half of 2023 has started to slow, this is also reflected in Visit Britain’s 2024 forecast, which shows a 5% increase in inbound travel from 2023, a notable slowdown compared to the double-digit growth observed during 2023.

¹ More broadly, the chart sets some of the longer-term context for the Roman Baths, in the build up to COVID. The London 2012 Olympic effect, which saw a drop in London museum visitation, was much more acutely felt outside London, as London became the centre for tourist activity that summer. The Brexit referendum (and weakening of GBP) drove a steady increase of visitors to both sets of attractions. The impact of terror attacks in 2017, which saw a switch out of London, this chart shows that switch very clearly in May – Aug 2017. Then COVID, which came just after the Roman Baths’ busiest ever year. The fuller impacts of the pandemic have been set out in previous versions of the Plan and are not repeated here.

World Heritage Centre

The World Heritage Centre has been fully open for 20 months. During the financial year-to-date it has welcomed 112,815 visitors, over double the number who visited during the same period last year. Prior to opening, visitors to the centre were expected to be around 10% of the visitors to the Roman Baths, however footfall has consistently been above that level.

Victoria Art Gallery

Visitor numbers at the Victoria Art Gallery were ahead of budget until the closure of the Upper Gallery for essential roof repairs in autumn 2023. The Lower Gallery remains open and, as access to the Upper Gallery is free, the admission revenue budget is still expected to be achieved.

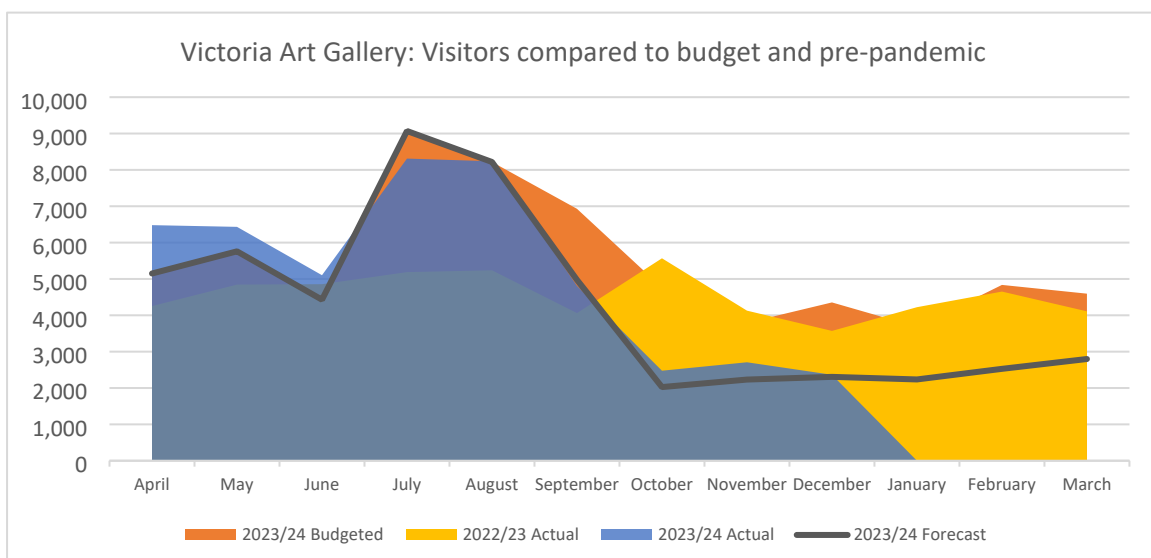


Figure 3: Victoria Art Gallery Visitor Numbers

At the end of August (prior to the closure of the Upper Gallery) visitor numbers were up over 40% on the prior year, driven by a strong exhibition programme and supported by popular engagement activities in the Upper Gallery during the summer holiday period.

Visitor figures are still lower than they were pre-pandemic. This change is primarily linked to changes in visitor behaviour, particularly in older audiences, following the pandemic. This sector wide trend is markedly impacting those venues, like the Victoria Art Gallery, where older visitors made up a larger share of the pre-pandemic audience. It is important to note that visitors to Gallery exhibitions are 30% higher in the financial year to December 2023 than they were over the comparable period last year. This growth was particularly driven by Kaffe Fassett's *Timeless Themes* show which also provided a particular commercial success.

A new system of issuing tickets for the Upper Gallery, introduced in 2021, has resulted in more accurate visitor numbers being reported for the Upper Gallery; it is not possible to disaggregate the impact the change in recording Upper Gallery visitors, from the overall drop in visitors to galleries seen across the sector. However, it is likely that the 19/20 visitor figures overstated the number of free visitors that the Gallery received.

Fashion Museum

Whilst the Fashion Museum is now closed, we have continued to loan the collection to other institutions. In 2023 over 1.1million people have seen Fashion Collection objects across the UK and around the world.

3.2. Future targets

The financial summary and key future targets are set out in appendix 1 and 2 respectively, alongside the prior year actuals and current year forecast. Figure 4 below shows the expected recovery of both income and profit.

	2022/23 (actual)	2023/24 (forecast)	2024/25 (proposed)	2025/26 (proposed)	2026/27 (proposed)	2027/28 (proposed)	2028/29 (proposed)
External turnover (£000)	20,737	24,336	27,509	29,628	30,350	31,164	31,978
Net Profit (£000)	5,700	10,410	12,198	13,346	13,537	13,851	14,088
<i>Profit as a % of income</i>	27.5%	42.8%	44.3%	45.0%	44.6%	44.4%	44.1%

Figure 4: Heritage Services income and profit

The Plan projects growth in visitor numbers and visitor-driven income from the current performance outlined above. Heritage Services is forecasting the highest surplus it has ever achieved in 2023/24, with growth projected in 2024/25 and subsequent plan years. However, it is already clear that the Service is drawing to a close the period of substantial growth in the surplus it returns. In the outer years of the plan we expect the surplus to plateau as the physical constraints of the Roman Baths prohibit uninhibited growth in visitor numbers.

The financial targets for the Service absorb the recent increases in pay and further anticipated pay awards to be agreed by the Council for each year of the plan, as well as other inflation pressures on the cost base. With the future anticipated rises to the living wage, pay is expected to be the biggest cost pressure facing the Service.

In the 22/23 iteration of the business plan it was noted that Heritage Services had agreed with B&NES Council that the Service will retain over-achievement on budget surplus, year-on-year, to act as a smoothing reserve to support capital funding requirements going forward. In light of the Council's overall funding situation it has been agreed that as much surplus as possible must be returned to the Council to assist in its overall objective of improving people's lives.

3.3. Action Against Strategic Priorities

3.3.1. To provide maximum access to our buildings, monuments and collections to as wide an audience as possible to facilitate learning, understanding and emotional connection

In 2024 we will launch a new audio-tour at the Roman Baths that will support visitors' understanding of the site and bring our interpretation in-line with the most up-to-date understanding of Roman Britain. Underpinning the reinterpretation of the site is a research strategy that seeks to reveal previously untold stories, particularly those of marginalised people. To that end the Roman Baths Manager will supervise a post-doctoral student with the University of Exeter and the University of Reading to explore the main research themes identified and we will continue to support our programme of scientific analysis and conservation work on the Roman collection.

The Roman Baths will also launch a new community engagement strategy that will support the reinterpretation themes and re-focus our efforts on engaging with new audiences, including those who we have not traditionally welcomed at the site. The strategy will also seek to align our engagement endeavours with Council priorities as identified in plans such as the Health and Wellbeing Strategy and nascent Economic Strategy.

The Service will pilot offering free admission to school groups for schools where 30% of pupils receive free school meals; it will also build on its partnership with [Tickets for Good](#), providing free tickets to those most affected by the cost of living pressure. These measures

are designed to ensure that its sites are accessible to those who might find price a significant barrier to entry.

A programme of temporary exhibitions will continue to be delivered at the Victoria Art Gallery, including the Toulouse Lautrec *Masters of Montmartre* show, which opened in February 2020 and had to close due to the pandemic. We will also open a new community engagement space in the gallery in 2024. This new room, majority funded by external donations from the Friends of Victoria Art Gallery and another individual, will allow us to drastically improve the community engagement offer at, and social benefit that can be derived from, the Victoria Art Gallery.

At the Bath Record Office a new audience development plan will be devised so that the archives and local studies can reach wider and more diverse audiences. In turn, this will improve its collecting strategy and ensure its relevance to our communities.

Following the appointment of a Volunteer coordinator in 2023, a volunteering strategy will be put in place with a focus on growing numbers, diversifying roles and volunteer cohort and improving the volunteer experience.

3.3.2. To be a supporter focussed organisation

At the end of 2023 we had issued 39,308 Discovery Cards to residents, following the scheme's relaunch in 2022. In 2024 the Service will continue to promote the scheme to residents across B&NES, with a particular focus on increasing take-up in areas where residents generally haven't previously held Discovery Cards. The Service will seek to provide a technical solution which will allow Discovery Cards to be issued in the community, removing the need for residents to attend one of the Heritage Services sites, or a One Stop Shop to obtain a Discovery Card.

The Service will tender for a new Customer Relationship Management system to enable us to systematically manage and analyse visitor data, providing valuable insights into their preferences, behaviours, and engagement patterns. This will allow us to tailor our offerings and communications to meet the specific needs and interests of our various audience segments. This will foster a stronger connection between the Roman Baths, Fashion Museum and Victoria Art Gallery and our supporters and develop deeper, more meaningful relationships.

Heritage Services will also increase its staffing resource in the marketing and fundraising team, to support the delivery of the fundraising campaign for the Fashion Museum project and also to support the delivery of the ambitious income targets identified for the Roman Baths.

3.3.3. To Maximise Income

Heritage Services will seek to maximise income generating opportunities across its areas of operation.

Roman Baths

- The increase in income will be driven by:
 - **Additional visitors.** The Service is projecting a sustained recovery from the pandemic, with Roman Baths' visitor rising from 1 million in the 23/24 financial year, to 1.1 million in 2024/25. This uplift in visitors yields £2.1 million of additional revenue and £113k of retail uplift.
 - **Price increases.** Price increases planned for 2024 will increase the price for both individuals and groups. The effect of these price changes across the year is £600k.
 - **Price structure changes.** Through changing the effective price points at different points in the year, the Service expects to generate a further uplift of £510k, the changes are planned in response to current and anticipated visitor demand. The specific changes planned are to
 - Increase the price in February and March
 - Increase the group price in June
 - Increase the price in October
- We will also:
 - Ensure that experience is at the heart of our product offering, using the site and collection as the backdrop against which people can create amazing memories.
 - Review the admission pricing strategy, to ensure that visitation is stimulated during periods of greater capacity and income maximised at periods of greatest demand.
 - Re-tender the catering contract to ensure that the Council is maximising returns from a high-quality catering offer in the Pump Room.

Victoria Art Gallery

- Bring the Toulouse Lautrec show back to the Gallery, this show opened in February 2020 but was curtailed due to COVID. It is expected that this will attract a sizeable and broad audience.
- Increase repeat audiences, and especially families and schools, via programming in the new Community Engagement space to be opened behind the first floor gallery.
- A review of the potential for increased cross site promotion between the Roman Baths and the Gallery to try and drive more visitors from the Baths to the Gallery.

Cross Service

- Continue to maximise revenue through the private hire of the Council's heritage venues and parks, delivering a high quality experience for all external and internal clients. There will be a focus on attracting more corporate business through improved marketing and product development. Work will also continue to improve the operability of the Guildhall as an events venue.
- Develop and pilot a series of ticketed events to generate revenue and diversify income streams. Events include silent disco, comedy evening and gladiator school.

3.3.4. To operate efficiently and effectively as an organisation

In July 2024, The Roman Baths, Victoria Art Gallery, and Fashion Museum will re-apply for accredited status through the Arts Council England's Accreditation Scheme, the UK industry standard for Museums and Art Galleries. The scheme ensures that Museums manage their collections properly, engage their users and are governed appropriately. As part of this process the Service will revise its forward plans, collections development policies, learning and engagement strategies, access policies, emergency plans and other key strategic documents that underpin our work and support the overall Service strategy.

At the Roman Baths the Service will begin to implement the recommendations of the Conservation Management Plan (CMP). The CMP will inform our conservation priorities over the next 5 years.

The Systems and Commercial teams will work to retender the Visitor Management and Retail systems during 2024, to implement in 2025. These critical system infrastructure projects will underpin the revenue generation over the lifespan of this business plan.

Across the Service we will continue to progress a strategic approach to Equality, Diversity and Inclusion (EDI). With two members of the Senior Leadership team having taken part in the [Travelling Together Programme](#) and with support from some external expertise we will create an EDI strategy for the Service. This will pick up our approach to EDI in all areas of our operation ensuring we can deliver on our moral requirements as well as our creative and income generating aspirations.

The Service will engage in the Council's Corporate Landlord project, exploring opportunities for efficiency in the delivery of maintenance and compliance activity, whilst safeguarding the Service's ability to be agile and responsive.

An integral part of the strategy going forward will be ongoing investment in the Service workforce. We will continue to build an even stronger performance culture with staff engagement, wellbeing and development at its heart. Some actions we will explore include:

- The ongoing development and delivery of a comprehensive staff engagement and internal communication plan so that all staff are well informed and also able to contribute to the continuous improvement of the service
- Creating an integrated training plan for staff at all levels of the service
- A review of ways to reward and recognise exceptional performance in line with the Council-wide 'Being Our Best' change programme
- Using the Clear Review system to ensure all staff have an up-to-date forward job plan, linked explicitly to our strategy, that is reviewed on a regular basis. These plans will also focus on developing staff for the benefit of the Service, our customers and their own personal and professional goals. We will also systematically embed our expectations and actions related to health and Safety, the climate crisis and diversity, equality and inclusion into these plans
- Encouraging further initiatives which encourage cross site working to break down silos and develop a single service culture in line with the Council-wide 'Being Our Best' change programme

The Service will continue to evaluate its staffing complement and structures to ensure that it is able to deliver on the Strategic Priorities outlined in this document. In order to deliver the income figures above the Service has increased its staffing complement and overall wage bill post COVID. The key areas of movement from pre-COVID to the start of the 23/24 financial year related to the opening of the new World Heritage Centre and Clore Learning Centre, the transfer of the Council's private hire business (and staff) into Heritage Services,

an investment in community engagement resource and the appointment of a project lead for the Fashion Museum.

The key areas of movement in 23/24 and into 24/25 are:

- **Pay award.** The confirmed pay award in 2023/24 was significantly higher than budgeted, particularly for the lower grades. 72% of Heritage Service staff are grades 3-6. This means the inflation pressure of fixed value pay awards is greater in Heritage Services that across the organisation as a whole. There is an assumption of 5% pay inflation in 24/25.
- **Regrades.** We have regraded our Retail Team from 1-3. This aids recruitment and retention. In addition there have been a small number of regrades for other individuals.
- **Visitor driven staffing.** The planned increases in visitors (budget 888,000 in 2023/24 to proposed 1,100,000 in 2024/25) results in increases in the Visitor Experience, Retail and Facilities teams. Note – across these teams the proposed FTE is still lower than the headcount in 2020.
- **New posts recruited.** There were a number of new posts recruited in 2023 that were not included in the budget when first derived in autumn 2022.
- **New posts proposed.** There are five new posts proposed in the budget for 2024. These roles include additions to the marketing, fundraising, curatorial and sustainability functions in the Service.

3.3.5 To bring benefit to B&NES, the South West and the UK

Heritage Services will use its platform and influence to:

- Represent B&NES on the West of England Combined Authority (WECA) [Cultural Compact](#) to deliver on the WECA cultural strategy;
- Represent B&NES as a board member of Visit West and work with Visit West to deliver the [destination management plan](#) for the region;

- Represent The Roman Baths and Pump Room as a board member for the Association of Leading Visitor Attractions;
- Work to establish a Corporate Approach to Culture across B&NES.
- Work with other teams within the Council's to contribute to the Health and Wellbeing Strategy, Economic Strategy, Skills plan, Transport Action Plan and Local Plan to ensure they recognise and include a vision for a sustainable visitor economy within B&NES over the lifespan of those plans.

3.3.6 To act as an environmentally sustainable and responsible organisation in everything we do

Over the last 12 months, the Service has made progress in this area. It now has a carbon baseline which sets out the carbon footprint of the Service's operation.

In understanding the carbon footprint the Service is able to prioritise it's activity to achieve the maximum impact. The Service has set up four working groups to take forward actions in four specific areas:

1. Facilities
2. Retail
3. Procurement
4. Travel (including visitor travel)

The priorities for each of these areas are set out below.

Facilities

- Improving building fabric
- Energy source options appraisal
- Improve object micro-environments, efficiencies and controls

Retail

- Retail supply chain assessment
- Set decarbonisation engagement prerequisites and standards for suppliers
- Resourcing / discontinuing unsustainable products
- Forecasting financial impact of these changes.

Procurement and food and beverage

- Supply chain assessment
- Establishing sustainability requirements for catering tender

Travel

- Create environmental criteria for evaluation of collection loan requests.
- Promote public and active travel for staff, volunteers and visitors
- Improve data collection on visitor travel modes
- Engage and partner with organisations in both the transport industry to promote sustainable travel.
- Work with partners in the heritage industry to develop a consistent and recognised method for apportioning the carbon cost of visitor travel.

3.4. Re-Fashioning Bath (relocating the Fashion Museum and Collection)

3.4.1. Project overview

The Fashion Museum is one of the world's great museum collections of historical and contemporary fashionable dress and Designated by government as a collection of outstanding significance. The collection contains over 100,000 artefacts and has been exhibited in the Assembly Rooms in Bath, which the Council has leased from the National Trust, since the 1960s. Pre-COVID it attracted 100,000 visitors a year to the city of Bath.

The National Trust have decided to take possession of the building to create a new heritage experience celebrating the Georgian era in Bath and the Fashion Museum closed to the public in October 2022.

The Council aims to establish a new Fashion Museum in Bath City Centre, in the Old Post Office, and a purpose-built home for the collection in Locksbrook. Both places should play a pivotal role in the economic, cultural and social future of the city, preserving access to one of the world's great museum collections as well as delivering regeneration, economic, skills, placemaking and wellbeing benefits across the region.

The Museum

The Council has acquired the Old Post Office building within the Milsom Quarter of the city. This will be the new home of the Fashion Museum with permanent displays, temporary

exhibitions, dedicated learning and community spaces and secondary spend opportunities such as retail, food and beverage and venue hire options.

Initial modelling suggests that the museum should attract 250,000 visitors per year. It will allow audiences not only to consider the beauty and craftsmanship of historic and contemporary fashion, but to use the collection as a lens to understand themselves and the world around them better. Visitors will be encouraged to engage in themes such as design, making, sustainability, identity and social justice.

The Fashion Collection Archive

The intention is for the collection which is not on display to be stored in a purpose-built facility, co-located with Bath Spa University, at a site in Locksbrook. The facility will be built to minimise carbon footprint and should be an exemplar of contemporary museum storage.

The Fashion Collection Archive will meet the needs of a diverse range of people, including designers, makers, researchers and film studios, to access and experience the collection for their own purposes.

Tackling Inequality

The aim is for both facilities to be hubs for inclusive cultural engagement – with programming and activities targeted at most communities across B&NES. The Service envisages that the operations of both sites be underpinned by a strong cohort of volunteers, placement and internship opportunities. This may include the use of the collection in skills-based courses to target long-term unemployment and the creation of a ‘hub and spoke’ model to extend programming into communities via pop-ups in vacant units and using existing local infrastructure. We will work in partnership with Council departments and third-party providers to reach those communities who would benefit most from engagement with this project. All Discovery Card holders in B&NES will have free access to both facilities.

3.4.2. Interim storage and engagement

Whilst a new permanent home is created the collection is housed at Dents glovemakers, one of the UK’s leading heritage fashion brands. The costs associated with this storage are built into the Plan.

The collection will be as open as possible, with a range of engagement activities during the time it is in temporary accommodation. Heritage Services will run digital engagement and

community consultation workshops for the new Fashion Museum project. This Service will continue to loan objects from the Fashion Museum collection to exhibitions world-wide as well as exploring the opportunity for temporary exhibition opportunities across Bath and the South West.

3.4.3. Project costing and overview

A provisional capital budget was added to the capital programme for the financial years 2024/25 to 2028/29 for Fashion Museum Renovation. As part of further work to progress with the Museum design we will further develop the capital programme. The funding plan for the project is as follows:

- The Old Post Office site was acquired in 2021/22. This was funded via a repayable capital grant from the Revolving Infrastructure Fund which is planned to be repaid from capital receipts from disposal of Corporate property assets.
- The total provisional capital budget is envisaged to be drawn from service supported borrowing funded from net admissions income, Corporate Supported Borrowing representing Council Subsidy and a fund-raising target including future grant applications.
- The Council will make a proportion of this funding available so that the feasibility and design work on the Old Post Office site can continue in 2024. The next key milestones for the project are to achieve RIBA stages 2 (concept design) and 3 (spatial co-ordination) which will link to submission of planning documents.
- A fundraising campaign will contribute to the remaining project costs. This will include grant applications and third-party contributions.
- The aim is for the new museum to open between 2028 and 2030. This time horizon will be narrowed during the RIBA design stage 2-3. This timescale is dependent on a successful fundraising campaign to ensure sufficient approved capital budget is available for contracts to be awarded.
- An independent charity will be launched in 2024 to support the project.

4. Risk

The Services' strong recovery from the COVID 19 pandemic has been swifter than projected and, whilst inflationary economic pressures restrict the level of disposable income that potential visitors have to spend on leisure activities, there is less uncertainty when revising this Plan than over the last few years.

It should be noted that there is a greater degree of uncertainty attached to the recovery of the Chinese market. Use of the Mandarin audio guide at the Roman Baths was 48% lower from January to November 2023 compared to 2019 and airline bookings for January and February 2024 are around 60% of pre-pandemic levels. China, once the second most valuable inbound market to the UK, is projected to drop to the fourth position in the latest Visit Britain inbound travel forecast. Although Visit Britain's sentiment research indicates a strong desire among the Chinese market to explore the UK's history and heritage, presenting a positive outlook for iconic destinations like the Roman Baths, the UK's drop in the Nations Brand Index suggests other destinations may benefit from China's pent-up travel demand.

The Plan assumes that the global economic pressure referenced above will not have a significant impact on the financial performance of Heritage Services. The Roman Baths has performed well during previous recessions benefiting from a staycation effect (as domestic audiences chose not to go abroad or not to holiday within the UK, but still undertake day trips). It is also important to note that international tourists benefit from the current low value of the Pound and also tend to represent the more affluent sections of society and are therefore better able to absorb the impact of inflation than other demographics of society.

The Plan assumes that there will be no new adverse impact caused by security, economic or environmental events, but it should be noted that terrorism continues to pose a risk. Potential further international uncertainty driven by geopolitical incidents also casts a shadow over the future years. Any impact on the USA market will have an adverse impact on the Roman Baths as this is currently our largest overseas market.

Within the Council's General Reserves via the Robustness of Estimates calculation, a risk of £2.5m was recognised in 2022/23. This was assessed as medium risk; the Plan recommends that this risk provision is maintained.

There are inherent risks to the Fashion Museum relocation project. These principally relate to the funding of the project and the impact that securing funding may have of the timeline of the project. However, the Service feels that project is eminently viable and fundable. At this stage the risks associated with this project are commensurate with a project of this scale and ambition and no more than this.

Progress has been made on the pathway to net zero, however the implications of achieving net zero are currently unquantified and the interventions required are uncosted and unfunded.

There is some uncertainty around the long-term storage of the Council's reserve collections (those historic items not currently on display or immediately available to access). The majority of these are stored at the ex-Culverhay school site. The Service will need to work with Corporate Estate colleagues to establish a long-term solution for the storage of these items.

A more detailed Risk Assessment is included in Appendix 3

Appendix 1: Financial Summary

Heritage Services Business Plan 2024-29

[Contents](#)

Business Plan Summary

	Prior Year Actuals		2023/24		2024/25	Plan Years			
	2021/22 £'000	2022/23 £'000	Budget £'000	Forecast £'000	Budget £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Admissions	(8,495)	(15,890)	(17,528)	(19,893)	(23,076)	(25,371)	(26,123)	(26,892)	(27,678)
Retail Sales	(1,155)	(2,303)	(2,283)	(2,664)	(2,795)	(2,946)	(2,912)	(2,923)	(2,927)
Room Hire	(369)	(966)	(714)	(656)	(682)	(690)	(699)	(707)	(716)
Catering	(264)	(479)	(334)	(404)	(416)	(415)	(427)	(440)	(453)
Other Income	(378)	(998)	(308)	(679)	(528)	(195)	(177)	(190)	(191)
Grants/Contributions	(3,687)	(101)	(22)	(40)	(12)	(12)	(12)	(12)	(12)
Total Income	(14,347)	(20,737)	(21,189)	(24,336)	(27,509)	(29,628)	(30,350)	(31,164)	(31,978)
Employee Costs	5,003	5,370	5,629	6,153	7,101	7,582	7,884	8,200	8,527
Premises Costs	1,297	1,574	1,628	1,621	1,700	1,776	1,880	1,993	2,113
Transport Costs	24	39	30	30	36	37	38	39	40
Supplies & Services	1,936	5,252	3,084	3,413	3,715	3,774	3,831	3,917	4,001
Other Costs	0	0	1	1	1	1	1	1	1
Maintenance	386	634	509	508	569	602	615	628	642
Investment	249	700	485	608	586	716	770	750	790
Total Expenditure	8,895	13,569	11,365	12,335	13,708	14,488	15,019	15,527	16,114
Internal Income	(2,719)	(3,279)	0	0	0	0	0	0	0
Recharge codes	4,170	4,741	1,585	1,585	1,597	1,788	1,788	1,779	1,770
Internal Recharges	1,451	1,461	1,585	1,585	1,597	1,788	1,788	1,779	1,770
Contribution to Reserves	0	6	6	6	6	6	6	6	6
(Surplus) / Deficit	(4,001)	(5,700)	(8,233)	(10,410)	(12,198)	(13,346)	(13,537)	(13,851)	(14,088)
Operating Margin	27.9%	27.5%	38.9%	42.8%	44.3%	45.0%	44.6%	44.4%	44.1%
Operating Margin (pre investmei	29.6%	30.9%	41.1%	45.3%	46.5%	47.5%	47.1%	46.9%	46.5%
Wage %	34.9%	25.9%	26.6%	25.3%	25.8%	25.6%	26.0%	26.3%	26.7%

Appendix 2: KPI Targets

	2021/22 (actual)	2022/23 (forecast)	2023/24	2024/25	2025/26	2026/27	2027/28
Roman Baths visitors (000s)	431	785	888	1,044	1,200	1,236	1,266
Victoria Art Gallery visitors (000s)	40	66	66	71	71	71	71
World Heritage Centre visitors (000s)	0	70	88	104	120	124	127
Roman Baths income per visitor (£)*	21.68	22.08	22.48	22.19	22.13	22.15	22.09
Education visitors at Roman Baths (000s)	4,733	6,745	19,499	20,880	24,000	24,720	25,320
Community Participants	988	19,283**	18,700	19,000	19,300	19,500	19,700
Discovery Cards Issued (000s)	0	23,000	5000	5,500	6000	6,500	30,000***
Social media followers	129,923	194,077	212,191	237,443	262,939	291,678	324,259
Discovery Card holder visits (000s)	11,984	11,760	14,208	16,704	19,200	19,776	20,256
Net profit per Council Tax household (£)	47.18	66.31	95.13	119.11	152.58	157.15	157.94
* admission income plus retail sales & other sales and restaurant commission ** includes activities run at the Fashion Museum, which has closed *** Discovery Cards have a 5 year renewal lifecycle meaning those issues in 22/23 will begin to expire in 27/28							

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Nr	Description	Current Risk Score										RAG Score
		Likelihood					Impact					
		1	2	3	4	5	1	2	3	4	5	
L	M	H	L	M	H	L	M	H				
1	There is a risk that in-bound tourism will decline, caused by global events (incl Pandemic, Brexit, recession, terrorism) resulting in fewer visitors to the Council's attractions.			3						4		12
2	There is a risk of reduction in business caused by recession/cost of living crisis in the UK, resulting in a loss of income to the Council.			3					3			9
3	There is a risk that visitor numbers at the Roman Baths is of such large volume, caused by a resurgent domestic and international market and lack of management by Heritage Services resulting in reputational damage, loss of income and damage to the monument			3						4		12
4	There is a risk that a terror attack will occur at or in the environs of the Roman Baths with death and/or injury to staff and visitors and a subsequent impact on attendance			3							5	15

Head of Heritage Services

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5	There is a risk of staff signing off sick or underperforming due to stress/workload/poor internal communication issues causing harm to individuals and the performance of the Service. This may also result from issues with recruitment requisite staff especially in frontline roles			3				3		9
6	There is risk that the service will not attract a diverse workforce caused by a lack of initiatives to encourage applications from as broad a pool of applicants as possible impacting on the overall performance of the service				4			3		12
7	There is a risk that the service does not represent diverse narratives and or delivers a wide range of activities in its content output caused by a lack of diverse representation in the workforce/lack of consultative approaches/ lack of formal audience understanding resulting in reputational risk and sub optimal business performance			3				3		9
8	There is a risk of damage/loss to the collections due to unsuitable storage conditions resulting in reputational damage to the service and the loss of important cultural treasures			3					4	12

Bath & North East Somerset Council		
MEETING:	Corporate Policy Development & Scrutiny Panel	
MEETING DATE:	12 March 2024	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Commercial Estate performance	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: None		

1 THE ISSUE

The Panel requested for more detail to be provided behind the update report on the commercial estate presented at the informal briefing given to the Panel on 16 January 2024. This report therefore expands on the summary information presented previously.

2 RECOMMENDATION

The Panel is asked to note and provide feedback in respect of the contents of this report.

3 THE REPORT

3.1 Commercial Estate monitoring as at January 2024.

The date used for this report is the Quarter 3 position April 2023 – December 2023.

3.1.1 INCOME

The approved gross income budget is £16.4m for 2023/2024. The Q3 forecast is provided together with previous forecasts. The actual income received at the end of December was £14.8m with a forecast to the end of the year of £16.2m. The forecast figures do not take account of actual agreed lease renewal and rent review settlements which are subject to fluctuations.

Table 1- Commercial Estate Gross Rental Income Budget and Forecast 2023-24

Budget (1081)	Actual to date	Q1 - Initial Forecast	Q2 - Forecast	Q3 - Forecast	Variance to Budget
£16,356,513	£14,770,204	£16,356,513	£16,191,644	£16,191,644	£164,869

3.1.2 LETTINGS

From the beginning of April 2023 to 31st December 2023 we had achieved 12 lettings. (The presentation at the January meeting reported that 17 lettings had been achieved in 2003. Five of these lettings were completed between 1 January and 31 March 2023). The income has been profiled and produces £99,211 from 1st April 2023 onwards, rising to £277,151 from April 2024.

Table 2 – Lettings during 2023

Grd & Basement	21 Milsom Street	Estate Agency	17-Mar-23
Unit 2	Wansdyke Workshops Unity Road	Landscaping Company	17-Mar-23
Grd & Basement	15 Cheap Street	Doughnuts, ice cream and cookies	15-Mar-23
Unit 9	Queen Sq Hse Parking & Palace Yard Mews	Offices/education	29-Mar-23
Unit 11	Mill Road Industrial Estate Radstock	Bicycle components	30-Mar-23
Whole	4/5 New Bond Street Place	Coffee shop	06-Apr-23
Grd & Basement	9 Edgar Buildings	Wine bar	23-May-23
Ground Floor	6 Broad Street	Childrens clothes	21-Jul-23
Unit 3	Wansdyke Workshops Unity Road	Mixed - classic car restoration	17-Aug-23
Unit 2	Wansdyke Workshops Unity Road	Automotive and marines repairs	17-Aug-23
Ground, Basement & Upper	4-4A Burton St	Opticians	12 October 2023
First Floor	16 Abbey Churchyard	Recruitment Company	22 September 2023
Whole Property	24A Monmouth Place	Marketing/films	02 November 2023
Ground	19 Westgate Street	Takeaway	30 November 2023
Ground	7 Broad Street	Sustainable Fashion Brand	02 November 2023
Whole Property	89 Walcot Street	Store	01 December 2023
Whole Property	15 New Bond Street	Jewellery	12 December 2023

The letting terms are understandably commercially sensitive and confidential.

3.1.3 VOIDS

Out of the 36 void units in the Commercial estate, 52% are retail (19), compared with 55% (26) of the total in May 2021; and nearly 32% are offices (11).

Tables 3 and 4 below provide a breakdown of voids in terms of unit numbers and rental values by void classification as follows:

- Temp Let – Asset is subject to a pop-up or temporary letting.
- Void Offer – Property is under offer and no longer being marketed.
- Void Temp – Asset is on the market and available for letting.
- Void Works – Asset is currently awaiting works prior to commencing marketing.
- Void Legal – Legal Services have been instructed to draft documentation.

Table 3 - Table illustrating number of units under each void classification heading.

Count of Units	Unit sta					
Category	Temp Let	Void - Offer	Void - Temp	Void - Works	Void - Legal	Total
Licensed				1		1
Office			4	6	1	11
Other		1	1	3		5
Retail	2	3	5	9		19
Total	2	4	11	18	1	36

Most units are not capable of being let at this time due to various reasons, although mainly because they are awaiting works prior to commencing marketing. This is illustrated below in the following table.

Table 4 - Table illustrating rental values under each void classification heading.

Sum of Erv tegrity	Unit stat Temp Let	Void - Offer	Void - Temp	Void - Works	Void - Legal	Total
Licensed			£32,400			£32,400
Office			£60,050	£103,000	£14,000	£177,050
Other		£1,800	£3,300	£33,230		£38,330
Retail	£96,200	£74,000	£170,125	£313,550		£653,875
Total	£96,200	£75,800	£265,875	£449,780	£14,000	£901,655

Out of the total value of ERV reported, (£901,655) 50% equating to £449,780 of potential revenue requires works. Of the units classed as void temp, which are currently on the market and accounting for 29% of the total revenue, a significant number of these also require an element of works.

3.1.4 INVESTMENT ASSET PERFORMANCE

In terms of commercial property investment, the commercial estate asset value was assessed at 31 March 2023 as £237.9 million.

The revenue outturn for 2022/23 stood at £15.1million. As a proportion of the net book value of the commercial estate at 31 March 2023 this produced a yield of 6.4%.

By comparison, the IPD All Property Equivalent Yield for Q3 2023 also stood at 6.39%¹

IPD or the Index Property Databank is a monthly property performance index which tracks retail, office and industrial properties. The index includes data on actual property transactions from institutional investors and property companies. It produces annual and monthly figures for the total property return. The IPD UK index is the standard benchmark for investors to analyse the performance of property in the UK market.

3.1.5 INCOME RECOVERY (ARREARS)

The arrears position in January 2024 (using KPI data produced on 15th of January) for the Commercial Estate portfolio is reported in the table set out below. This indicates a risk profile and is tracked from the pre Covid level (of March 2020) and from the start of Property Board (May 2021).

Table 5 - Arrears position in January 2024.

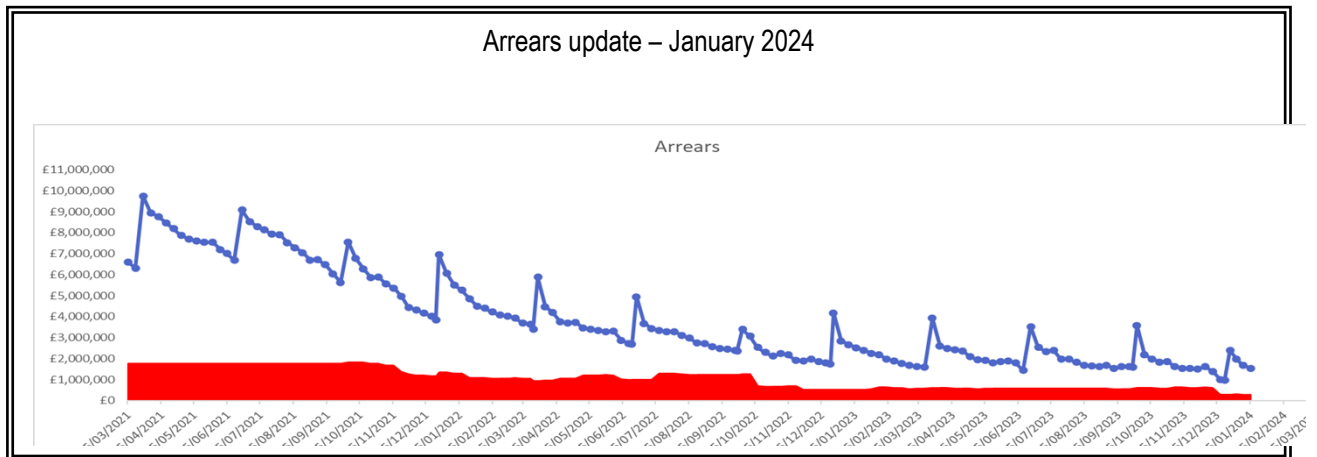
Row Labels	Current	1 Qtrs	2 Qtrs	3 Qtrs	4+ Qtrs	Grand Total
G	£ 389,681	£ 32,345	£ 8,847	£ 371	£ 221,143	£ 652,386
A	£ 156,412	£ 29,613	£ 10,246	£ 2,885	£ 121,942	£ 321,098
R	£ 13,873	£ 12,812	£ 19,030	£ 7,918	£ 130,222	£ 183,855
	£ 20,090	£ 6,550	£ 171	£ 12	-£ 1,924	£ 24,898
Grand Total	£ 580,055	£ 81,319	£ 38,293	£ 11,187	£ 471,382	£ 1,182,237
	Current	1 Qtrs	2 Qtrs	3 Qtrs	4+ Qtrs	Grand Total
May 2021 baseline	£ 1,986,704	£ 1,550,130	£ 1,104,759	£ 803,879	£ 1,363,397	£ 6,808,869
January 2024	£ 580,055	£ 81,319	£ 38,293	£ 11,187	£ 471,382	£ 1,182,237
%age Var	-70.80%	-94.75%	-96.53%	-98.61%	-65.43%	-82.64%
March 2020	£ 498,799	£ 199,347	£ 147,477	£ 31,216	£ 533,765	£ 1,410,604

¹ Colliers - February 2024.
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Table 5 above shows baseline data which provides useful context when the more up to date information is presented.

On the final working day of December (22nd December), arrears were at their lowest since the pandemic, at £963,090. This increased following the charging of the quarterly rents on 25th December to £2,381,865, before reducing to the outstanding balance of £1,182,237, representing a significant decrease, compared with the arrears position at the May 2021 baseline.

Fig 1 – Graph showing Arrears Balances over a period of Years to 15th January 2024.



Every current tenant, including residential tenants, that owe more than £100 continue to be contacted, with any new debtor being identified via a weekly report and immediately contacted. Of the 550 tenants in arrears, a total of 312 tenants (ie 57%) currently owe less than £100, with an aggregate arrears total of £6,794 (0.44% of the total debt)

3.1.6 CAPITAL EXPENDITURE

The approved Commercial Estate Refurbishment Programme (CERP) budget at the start of 2023/2024 was £8,494m but it has been necessary to carry forward £6,354,000 to 2024/25. The February Budget papers were drafted to show a current budget and forecast of £2,110k for 2023/24.

Table 6 - The Commercial Estate Refurbishment Programme (CERP) Expenditure

2023/24 Revised budget - Jan24 £'000s	2023/24 Actual to Date £'000	2023/24 Purchase Order Commitments £'000	2023/24 Forecast £'000	2023/24 Rephasing to Forecast £'000
£2,110	£1,054	£828	£2,110	£6,354

This programme of works is under regular review and prioritisation with renewed focus on key priority empty properties.

For each asset included within the capital programme, an assessment is undertaken to ensure that investment in the asset delivers value for money and a

return on investment. A further programme of works under a provisional budget is already in development and will be submitted for formal approval in due course.

Work is on-going concerning the further approved budget of £500k for fire safety works in 'common areas'. This is initial funding for a larger scheme which is being developed and additional provisional budget in 2024/25 will be required. A total of £175K has been spent so far with £110K on surveys and reports.

A planned maintenance programme for the commercial estate is also being developed, with 45 condition surveys commissioned which may require additional provisional capital budget for 2024/25 and future years.

4 STATUTORY CONSIDERATIONS

The Commercial Estate is held under the powers of s120 of the Local Government Act 1972. All decisions in respect of the commercial assets are taken in accordance with the provisions of this Act.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

None as a direct result of this report.

6 RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

7 EQUALITIES

No adverse impacts in relation to an EIA have been identified as a direct result of this report.

8 CLIMATE CHANGE

No adverse impacts in relation to an EIA have been identified as a direct result of this report.

9 OTHER OPTIONS CONSIDERED

None

10 CONSULTATION

The s151 and Monitoring Officer have both been consulted and provided their approval to this report.

Contact person	Richard Long, Head of Commercial Estate
Background papers	<i>None</i>
Please contact the report author if you need to access this report in an alternative format	

CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL

This Forward Plan lists all the items coming to the Panel over the next few months.

Inevitably, some of the published information may change; Government guidance recognises that the plan is a best assessment, at the time of publication, of anticipated decision making. The online Forward Plan is updated regularly and can be seen on the Council's website at:

<http://democracy.bathnes.gov.uk/mgPlansHome.aspx?bcr=1>

The Forward Plan demonstrates the Council's commitment to openness and participation in decision making. It assists the Panel in planning their input to policy formulation and development, and in reviewing the work of the Cabinet.

Should you wish to make representations, please contact the report author or, Democratic Services . A formal agenda will be issued 5 clear working days before the meeting.

Agenda papers can be inspected on the Council's website.

Ref Date	Decision Maker/s	Title	Report Author Contact	Director Lead
12TH MARCH 2024				
12 Mar 2024	Corporate Policy Development and Scrutiny Panel	Heritage Services Business Plan	Robert Campbell	
12 Mar 2024	Corporate Policy Development and Scrutiny Panel	Commercial Estate Update	Richard Long Tel: 01225 477075	Executive Director - Resources (S151)
14TH MAY 2024				
14 May 2024 Page 48	Corporate Policy Development and Scrutiny Panel	Performance indicators - outcomes of resident survey	Steve Harman Tel: Mob: 07530263207	
23RD JULY 2024				
17TH SEPTEMBER 2024				
19TH NOVEMBER 2024				
ITEMS TO BE SCHEDULED:				
The Forward Plan is administered by DEMOCRATIC SERVICES: Democratic_Services@bathnes.gov.uk				