

Cabinet Meeting Resolution

**Executive
Forward Plan
Reference**

E2811

Heritage Services Business Plan: 2016-2021 update

Date of Meeting	10-Feb-16
The Issue	<i>This is the first update of the Heritage Services Business Plan 2015-2020 that was approved by Cabinet in February 2015. It covers the five financial years from 2016/17 to 2020/21, and has been prepared following the annual in-depth review of business activity. The revised Plan includes an analysis of the risk involved.</i>
The decision	<p>RESOLVED (unanimously) that the Cabinet:</p> <ol style="list-style-type: none"> 1) Approved the Heritage Services Business Plan 2016-2021; 2) Confirmed that it wishes Heritage Services to continue to work to the business principles agreed by the Council Executive in 2004, as amended; 3) Approved the capital investment outlined in this report and noted that the Budget report also on the agenda for this meeting recommends: <ol style="list-style-type: none"> a) Full approval and inclusion in the Approved capital programme of the following projects: <ol style="list-style-type: none"> i) The Archway Centre project at a total cost of £5.317 Million in 2017/18 and 2018/19, including a contribution by the Council of £1 Million, (£750k from corporate borrowing and £250k from service-supported borrowing), as detailed in this report ii) The Roman Baths Infrastructure projects totalling £100k planned for 2016/17 iii) The Victoria Art Gallery air conditioning project, costing £150k in 2016/17, subject to completion of the Project Implementation process b) Inclusion in the provisional capital programme of the block of Roman Baths infrastructure projects totalling £600k from 2017/18 to 2020/21 c) Inclusion of information around emerging capital programme items, to be brought forward for inclusion in the capital programme in future years, for the investment of £1.15 Million per annum in both 2019/20 and 2020/21 in order to begin a further major refurbishment of the entire Roman Baths site d) Re-phasing of £100k currently included in Approved the capital programme to develop the second phase of the Visitor Management System project from 2015/16 to 2017/18. 4) Noted the investment contained within the Business Plan and approved the procurement of goods and services necessary to carry out this investment, including new contracts for security and further digital interpretation during the period of the Plan.

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Rationale for decision

Heritage Services operates as a business unit, with annual profit targets and investment levels agreed corporately on a rolling basis. The business strategy to achieve these targets is detailed in a Business Plan ('The Plan'), reviewed and revised each year. The Plan provides a fully integrated approach to income generation and the investment necessary to achieve it, and is aligned with the Council's corporate aims and objectives.

In 2010 the Audit Commission commended Heritage Services for its achievements in value-for-money and for the business systems that enable these to be made as part of their assessment of the Council's 'Use of Resources'. A review of governance by the Council's internal audit service in 2013/14 rated the current arrangements as 'excellent'.

Other options considered

During 2014/15 the s151 Officer and Strategic Director (Place) commissioned an options review to consider the best governance model for the Service and to identify any areas where business performance could be enhanced yet further. The review recommended that Heritage Services remain an in-house service and that its operating freedoms granted in 2004 be restored in order to enable it to continue to thrive in the competitive visitor attractions market.

The process of revising and updating the Business Plan has involved consideration of a number of different pricing, marketing and investment options. The financial and business effects of these options were modelled and evaluated. The business strategy attached recommends a coherent and integrated series of decisions that are most likely to enable the Service to meet the targets required of it by the Financial Plan and sustain this level of performance in future years.

Another option would be for Heritage Services to cease functioning along the business lines of the past ten years and return to being a conventional local authority museum service. The absence of investment would lead to a loss of focus and competitiveness and result in falling revenues to the Council. This course of action is not recommended.

The Decision is subject to Call-In within 5 working days of publication of the decision