

## Heritage Services Business Plan 2021–2026

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Further details are available for Cabinet Members in confidential appendices upon request.

## 1. Summary.

This is the annual revision of the Heritage Services Business Plan 2015-2020 ('The Plan') adopted by Cabinet in February 2015. It is the first revision of the Plan since COVID-19 impacted Heritage Services' operations. The Plan sets out the recovery of visitor numbers and financial performance; it should be noted that performance is not expected to recover to pre-pandemic levels until year 2024/25.

Heritage Services expects to deliver a financial surplus each year. It will contribute to the Council finances by increasing income, reducing the revenue cost base after inflation and efficiently managing the staff establishment. The Roman Baths will continue to take part in benchmarking with other leading UK visitor attractions. In 2019/20, the latest financial data available, the Roman Baths and Pump Room was the number one Association of Leading Visitor Attractions (ALVA) 'Heritage' site for:

- Admission income per visitor;
- Admission income per paying visitor;
- Admission income per ticket booked online.

Within the whole of the ALVA cohort (including Heritage, Museums / Galleries and Leisure sites), the Roman Baths and Pump Room was number one for:

- Income per employee;
- Staff costs as a % of total income;
- Net profit per staff member (FTE);
- Net profit as a % of total income;
- Average spend per hour on admissions.

The site remains the only local authority-run attraction in ALVA.

The Service will continue to respond to the climate and ecological emergency by ensuring that sustainability is embedded in the recovery from COVID-19, as well as undertaking detailed feasibility work to inform longer-term changes to its operation.

The Service will complete the Archway Project, seek to find a suitable site in which to relocate the Fashion Museum, and bring forward proposals for a Fashion Museum Collections Centre. It will also investigate options for the long-term future of Bath Record Office and for the development of the Victoria Art Gallery to improve its long-term financial sustainability. The Service will continue to invest to protect and conserve the Council's heritage assets, improve the visitor experience, enhance commercial performance and develop its staff to deliver the Plan's outcomes.

## **2. The business unit.**

The Council established Heritage Services as an internal business unit in 2005. It approved bespoke financial arrangements to give the Service the same freedoms and agility enjoyed by its ALVA peers, to plan and to implement investment, pricing and marketing decisions and, in return, to deliver an agreed surplus for the Council.

Heritage Services is unique amongst UK local authorities in operating at no cost to the local taxpayer. The Service's operating model has attracted the interest of other local authorities, independent visitor attractions and foreign governments' agencies.

Within the Council, the Service is unique in self-funding all cost increases, including increases in wages, employer on-costs and other fixed costs such as business rates.

Through its rolling 5-year business plan, the Service maximises the commercial opportunities offered by the Council's world class heritage assets. Using planned re-investment of a proportion of its earned income, the Service conserves and develops these assets, maintains and extends the audiences who enjoy them and protects and enhances the income streams earned through them.

Performance, business planning and investment strategy are reviewed by the Heritage Services Advisory Board of external specialists in governance, museums and visitor attractions, who advise Cabinet Members and the Scrutiny Panel Chair on the soundness of the Service's business plan.

### 3. Business philosophy.

The Heritage Services Service Aims are to:

- Enhance the quality of life for residents of Bath & North East Somerset;
- Maximise public enjoyment of the Council's world class heritage assets;
- Enable people to learn from the activities and achievements of past and present societies;
- Promote understanding and appreciation of different cultures;
- Contribute to the district's economic prosperity through our Business Plan.

The Service cannot maximise income to the exclusion of other considerations. Its business philosophy is to maintain the sustainability of three interdependent areas of activity:

- Conservation – preserving our unique heritage
- Customer care – improving the visitor experience
- Commercial development – remaining competitive and maximising income earning opportunities

This business philosophy is characterised as the 'tripod of sustainability' in Figure 1 below.

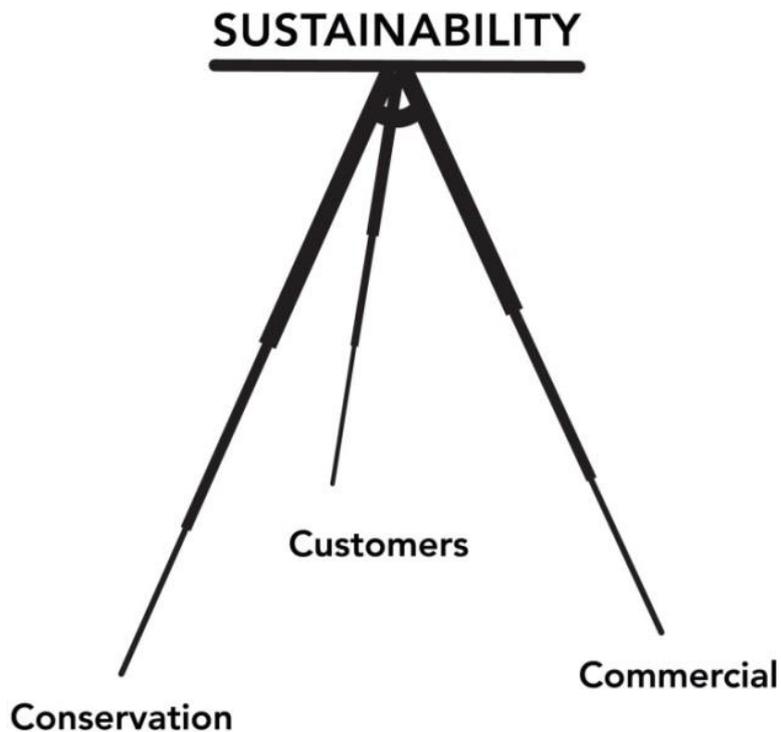


Figure 1. The Tripod of Sustainability; maintaining a balance across the three key areas of activity.

This model argues that, to ensure the long-term sustainability of irreplaceable heritage assets, equal attention must be paid to each of the three key areas of activity. It demonstrates that the more one focuses on or neglects one of these priorities, the less sustainable the Service becomes.

The three areas of activity are interdependent: the better the state of our heritage's Conservation, the better the experience for the Customer. Better Customer experience leads to enhanced reputation encouraging more visitors, which in turn increases the Commercial return. Healthy returns enable more resource to be reinvested into Conservation, Customer service and Commercial development.

## 4. Review of performance.

### 4.1 Long-term performance (2010-2020).

Sustained investment in the quality of interpretation, the standard of presentation and in staff training has enhanced the quality of the Roman Baths' visitor experience. This approach has resulted in excellent visitor feedback, commercial success and regional and national awards; a summary of these awards can be found as an attachment to the Plan.

The business philosophy and bespoke operating arrangements have allowed Heritage Services to operate very successfully in the national visitor attractions market. Through benchmarking within ALVA we can see that our operation is in the top quartile for Profitability, Income per visitor\* and Employee Costs in relation to turnover. Results also show that we perform below average in Retail Sales per Visitor and Value for Money.

[\* it is worth noting that some ALVA comparators (National Museums and Galleries) operate on a free-entry basis and only charge for specific exhibitions.]

The graph in Figure 2 below shows that, prior to the COVID pandemic, Roman Baths' visitor numbers had grown steadily. The dip in 2012 was caused by the London Olympics and the faster growth in 2017 as a result of terror attacks elsewhere in the UK, which saw a noticeable increase in visitors to Bath.

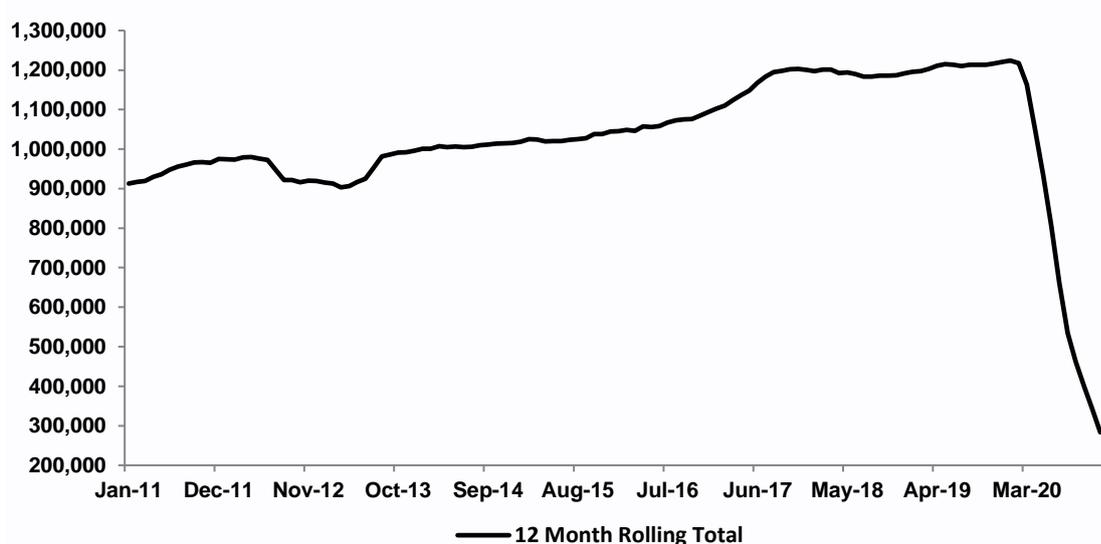


Figure 2. Roman Baths' rolling 12-month visitor total. The impact of COVID-19 is clearly shown

Over the same period the headline ('adult single') admission price has risen by over 50% from £11.25 to £23.00. It is worth noting that in 2021 the lead adult price varied from £16.00 to £23.00 as a result of variable pricing, implemented in 2019.

## 4.2 Performance in 2020/21.

Almost all aspects of the Heritage Services performance are dominated by the COVID-19 pandemic. At the start of the financial year all three visitor sites were closed, along with the Bath Record Office. The majority of Heritage Services staff were placed on furlough, with a core cohort of staff ensuring that the buildings, monument and collections in our care remained secure and also managing the Service whilst planning for reopening.

Despite the impact of the pandemic, in 2020/21 the Service will have returned a net surplus of over £5.6 Million p.a. to the Council. It should be noted that this includes Government support through the sales, fees and charges (SFC) and furlough schemes. Without this support, the Service would have run at a deficit in 2020/21.

The Service recommended to the Council that the Fashion Museum and Victoria Art Gallery remain closed until March 2021, whilst the Roman Baths should reopen as soon as it was able to do so. Front of house roles from the Fashion Museum and Victoria Art Gallery were redeployed to the Roman Baths in order to reduce the requirement for seasonal and casual staff use there. The Roman Baths reopened on the 6<sup>th</sup> July 2020 and remained open until 4<sup>th</sup> November when England went into a one-month lockdown. It reopened on the 3<sup>rd</sup> December until the 30<sup>th</sup> December when Bath and North East Somerset moved into Tier 3 COVID restrictions, requiring the closure of indoor tourist attractions.

When the Roman Baths reopened, capacity was capped at 15% of maximum and gradually increased to 20%. The visitor route was one way and more prescribed than in pre-pandemic times; the impact of this is discussed during section 4.4. below.

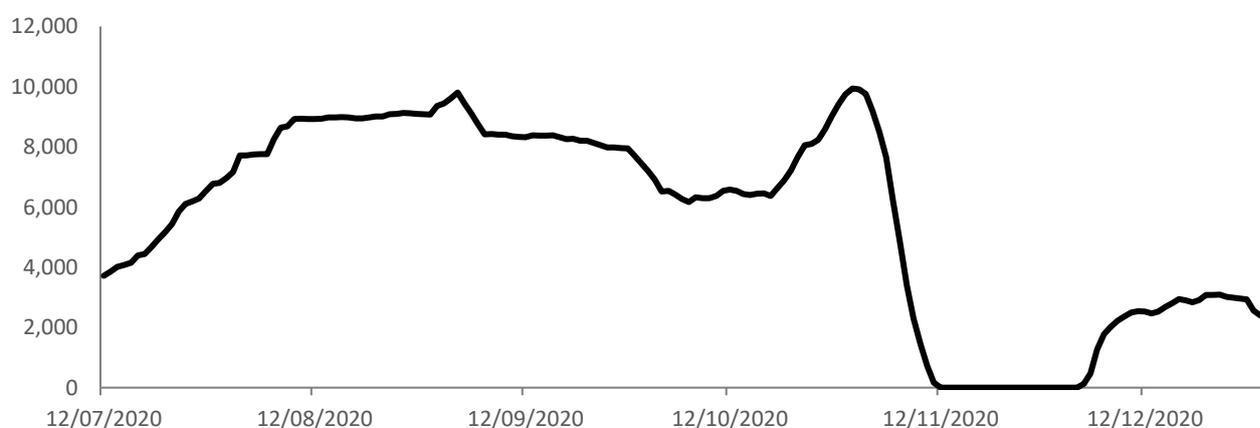


Figure 3. Roman Baths' rolling 7-day visitor total

We operated around maximum capacity from the end of July to the end of September as shown in figure 3 above. The fluctuation in visitor numbers tracked changes in opening

hours; until October prices were maintained at “peak” levels to maximise income from strong visitor demand. Figure 3 also shows the loss of momentum through the November lockdown. In December, performance was influenced by increasing restrictions in the UK, limiting where visitors could travel from.

Unsurprisingly, the lockdowns and capacity restrictions have had a significant impact on earned income, which is forecast to be £19.6M below the budgeted levels. However it should be noted that, due to the absence of groups and the new pricing strategy, the Roman Baths has never made more money per visitor than during 2020/21.

The shortfall in income has been mitigated through three primary mechanisms:

- Local Government Sales, Fees and Charges Scheme – for authorities that rely on earned income to fund the delivery of critical services.
- Furlough – a significant number of Heritage Services staff were furloughed between March and October 2020. During the second and third lockdowns, staff have been reassigned duties to support other areas of the Council under additional pressure as a result of the pandemic.
- Expenditure Savings – a savings programme has helped to mitigate the loss of income.

These measures have restricted the drop in net profit to £4.1 million, as shown in Figure 4 below.

	Heritage Services budget		
	Budget (£000)	Forecast (£000)	Decrease (£000)
<b>Net profit</b>	<b>9,682</b>	<b>5,567</b>	<b>4,115</b>

Figure 4: Heritage Services' financial performance in 2020/21.

### 4.3 Financial performance benchmarked through ALVA.

It must be noted that the benchmarking results are for the 2019/20 financial year and therefore only include a limited impact of COVID-19.

#### **Profitability.**

Notwithstanding the impact of COVID-19, it is noteworthy that Heritage Services operates a very profitable Service. The financial benchmarking results from ALVA shows that the

Roman Baths is the most effective site at converting income to profit and generates the highest 'profit per employee' in the benchmarking group; labour costs as a % of income are the lowest of all ALVA attractions.

### **Admissions income.**

The average Roman Baths admission price per paying visitor is the highest of all Heritage sites within ALVA. The Roman Baths performed within the ALVA top quartile and for 'average admissions spend per hour of visit'. Over the last three years the average Roman Baths admission price has grown by 27%, while the ALVA top quartile average admission price grew by 8% over the same period.

In 2019/20 Roman Baths visitor numbers decreased by 3% year-on-year, whilst the ALVA mean visitor numbers grew by 2%. The fall in Roman Baths' visitors was due to the impact of COVID-19, which depressed visitor numbers from February 2020 until the closure of the sites in mid-March. The early impact of COVID-19 was felt more sharply at the Roman Baths than some other ALVA members due to the number of inbound (overseas) visitors it attracts, notably from China. Until February, visitor numbers at the Roman Baths, Fashion Museum and Victoria Art Gallery had been strong, with the Roman Baths having its busiest ever calendar year in 2019.

### **Retail.**

The retail sales per visitor grew by 5%, from 2018/19, this is partly as a result in the staff training delivered in 2019. However, contribution (profit) margin fell by 2.6% year on year due to increased staff costs, through the pay award and business rate increases as a result of a rate revaluation.

Retail sales per m<sup>2</sup> rose to £17,381 and are ranked fourth amongst UK visitor attractions.

### **Marketing.**

The marketing cost per paying visitors remained in the lowest quartile, indicating the cost-effectiveness of our marketing function. Marketing cost per visitor was only 58% of the ALVA mean. This spend will be carefully monitored going forward, to ensure that our comparatively low spend does not lead to a slower recovery from COVID-19. Section 8 below outlines the plans for marketing.

#### 4.4 Quality of Visit performance benchmarked through ALVA.

This section shows the results of ‘quality of visit’ benchmarking of the Roman Baths against other ALVA members. It summarises the aggregated findings of exit surveys conducted in Autumn 2019 and Summer 2020 and therefore include some of the effects of COVID-19 (the usual wave of research conducted in Spring 2020 was cancelled due to closure of the Roman Baths).

##### Overall visitor experience:

	<b>Enjoyment</b> (mean out of 10)	<b>Value-for-Money</b> (mean out of 10)	<b>Net promoter score</b> (likelihood to recommend)
All Attractions	8.8 (no change)	8.5 (no change)	+ 59 (+01)
Museums & Galleries	8.8 (no change)	8.7 (-0.1)	+ 59 (no change)
Heritage Attractions	8.8 (no change)	8.4 (+0.1)	+ 56 (-5)
<b>Roman Baths</b>	<b>8.9 (+0.2)</b>	<b>8.3 (+0.2)</b>	<b>+ 70 (+11.0)</b>
Highest score	9.4	9.5	+ 87
Lowest score	8.2	7.6	+ 21

Figure 5: overall quality of the Roman Baths visitor experience, benchmarked against other ALVA attractions Autumn 2019 - Summer 2020, movement from prior year shown in brackets.

The Roman Baths sits in ALVA’s Heritage Attractions grouping. The results show that the Value-for-Money ratings for the Roman Baths are below the mean scores for All Attractions and Heritage Attractions. However, the scores in all three headline measures improved in 2019/20 relative to both the prior year and the overall benchmarks. The enjoyment score improved from being below the benchmark, to ahead of it.

It is pleasing to see a second consecutive year with improvements in the value for money score, coming at a time where prices at peak times have increased significantly and considering that peak prices were extended into the Autumn due to demand levels. It should be noted that these scores come from visitors who have attended and decided to pay these prices; further research is needed to determine the extent to which price is a barrier for some audiences. This research is planned during the COVID recovery period.

##### Visit compared with expectations.

The graphs at Figures 6 and 7 below show that a visit to the Roman Baths significantly exceeds expectations, which are already high prior to arrival. This is testament to the excellent Visitor Experience staff that we have, as well as the way in which the site is interpreted and presented. It is pleasing to have been able to deliver at this level during a

period where the experience is more restricted than it would otherwise have been; the quieter site (as a result of capacity restrictions) will have improved the visit for some.

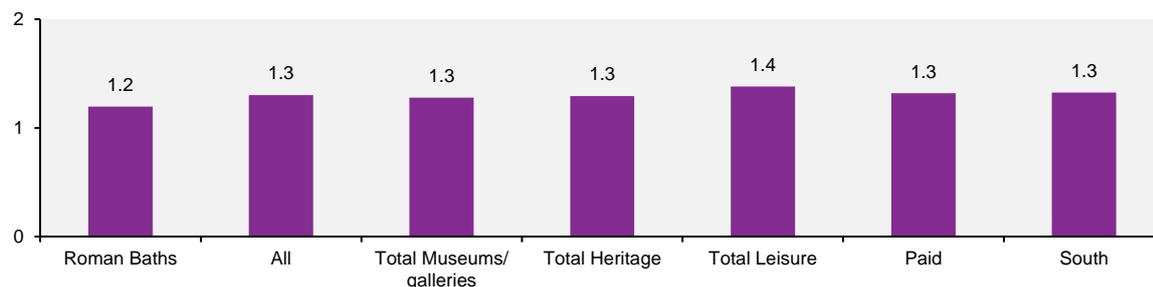


Figure 6: pre-visit expectations Autumn 2019 - Summer 2020. 0 = OK; 1 = Good; 2 = Excellent

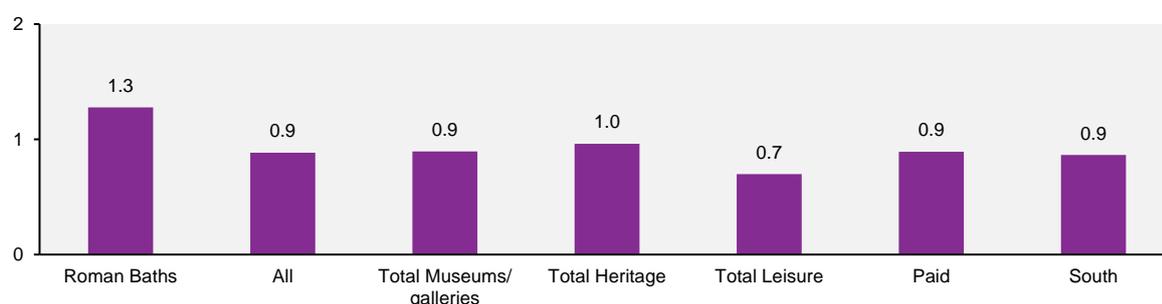


Figure 7: quality of the visit compared with prior expectations Autumn 2019 - Summer 2020. -2 = Much worse; -1 = A little worse; 0 = As expected; 1 = A little better; 2 = much better

### Experience Intensity ratings: service delivery measures.

The overall “experience intensity” is a composite benchmark made up of a range of measures. The Roman Baths’ experience intensity score is 86.2 against an ALVA benchmark of 84.9 and Heritage measure of 84.9. The experience ratings of all major visitor attractions included in the ALVA Benchmarking Survey are high, so this is a challenging benchmark; it is testament to the work of our teams that the Roman Baths and Pump Room perform ahead of this measure.

The individual measures which make up the composite benchmark show that the particular strengths are in the site experience measures, i.e., the subject matter and how it is presented and also the quality and knowledge of our staff which is an endorsement of our approach to staff training and development.

We score less well on measures relating to the emotional engagement that visitors feel and the site as a place where people relax. Whilst tempting to ascribe this to the changes to the visit as a result of COVID restrictions, these are areas which have been a relative weakness for a number of years and which we will seek to combat as we recover from the pandemic.

**Retail usage.**

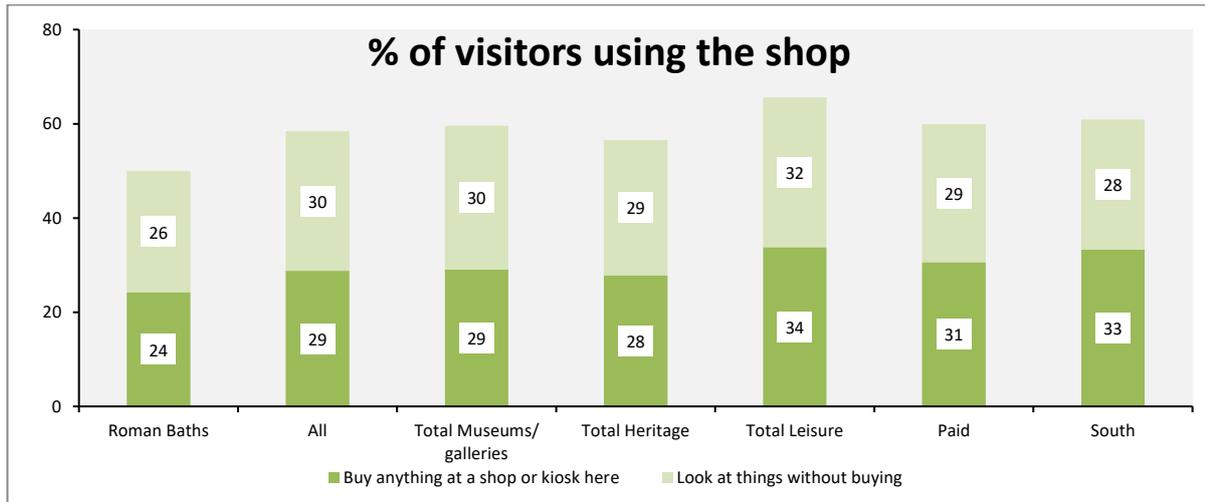


Figure 8: use of the museum shops compared with that at other ALVA sites Autumn 2019 - Summer 2020.

It is worth noting that since reopening the Roman Baths, it has not been possible to open the Lower Museum Shop due to its small size and the need for physical distancing; capacity in the Main Shop has also been restricted. This will have had an impact on this benchmark and the Roman Baths is likely to have suffered more than other sites as we know that the shop footprint is small for the number of visitors we receive.

**Age profile of visitors.**

Typically in the Heritage sector there is a reliance on the over-45s market. A more even split helps to manage the risk of a change in market conditions which adversely impact on one age demographic.



	Mean age (adults 16+)	% visiting with children aged under 16yrs
<b>Roman Baths</b>	<b>37.2</b>	<b>19</b>
All	40.6	31
Total Museums/ galleries	40.3	28
Total Heritage	40.4	28
Total Leisure	41.7	41
Paid	40.9	33
South	41.2	39

Figures 9a and b: The chart shows an even spread of Roman Baths' visitors across various age groups. The table shows that the average age of Roman Baths' visitors and the % of visitors with children under 16, Autumn 2019 - Summer 2020.

Given the relative severity of COVID-19 on people over the age of 60, it is not surprising that the proportion of visitors in the older age bracket has fallen this year. This will have affected all sites within the benchmark and it's worth noting that Figure 9b shows the Roman Baths maintains a lower average age than comparative sites. It is concerning to note that we attract significantly fewer family visits than other organisations, the research planned will seek to understand why this is.

## **Fashion Museum and Victoria Art Gallery Performance.**

In 2019 Fashion Museum visitor numbers and admission income grew through increased awareness of the significance of the museum and its collection, following the National Trust's announcement in March 2019 that in 2023 it will invoke the break clause in the Council's lease at the Assembly Rooms. The future of the Fashion Museum is discussed further in section 6.

The Victoria Art Gallery's revenue growth built on a strong year in 2018/19. The timing of the COVID-19 closure was particularly unfortunate as the *"Toulouse Lautrec: Masters of Montmartre"* exhibition had only been open for 33 days; however it had already welcomed 12,435 visitors and was proving to be one of the Gallery's most popular shows ever.

For both locations, the focus of 2020 has been to maintain audience engagement digitally through the websites and social media, and develop revised exhibition programmes for their reopening in Spring 2021. The Fashion Museum will launch *"Shoephoria"* and the Victoria Art Gallery will open with *"Kurt Jackson: Biodiversity"*.

## 5. Business targets 2021-2026.

The Plan aims to grow annual profit over the next five financial years, so that by 2025/26 profit returned to the Authority will be £11.8 Million p.a.

The table at Figure 10 below demonstrates planned performance in each year based on the updated financial model that underpins the Plan. This Plan is produced against a backdrop of uncertainty and there are a significant number of assumptions in the outer years of the plan, which will be refined as the impacts of COVID, Brexit and other local changes become clearer.

	2019/20 (actual)	2020/21 (forecast)	2021/22 (proposed)	2022/23 (proposed)	2023/24 (proposed)	2024/25 (proposed)	2025/26 (proposed)
External turnover (£000)	21,838	16,322	16,673	18,644	20,579	23,636	24,956
<b>Net Profit (£000)</b>	<b>9,612</b>	<b>5,567</b>	<b>5,447</b>	<b>5,541</b>	<b>7,548</b>	<b>10,750</b>	<b>11,635</b>
Profit target (£000)	8,782	9,682	3,717				
Surplus against target (£000)	830	(4,115)	1,730				
<i>Profit as a % of income</i>	<i>44.0%</i>	<i>34.1%</i>	<i>32.7%</i>	<i>29.7%</i>	<i>36.7%</i>	<i>45.5%</i>	<i>46.6%</i>
Roman Baths visitors (000s)	1,163	293	693	870	1,003	1,148	1,215
Fashion Museum visitors (000s)	100	0	31	65	0	0	0
Victoria Art Gallery visitors (000s)	188	0	92	145	155	165	175
Roman Baths income per visitor (£)*	16.75	19.69	20.35	19.87	19.89	19.98	19.92
External turnover (£000)	113.34	65.64	64.23	65.34	89.00	126.76	137.19
* (admission income plus retail sales & other sales) and restaurant commission)							

Figure 10: Heritage Services' key financial and visitor targets.

The Plan rebases the visitor numbers following the COVID-19 pandemic. In setting these targets, best and worst-case scenarios were used to develop a range within which to plan. The worst-case scenario was based on the Visit Britain 2020 forecasts for domestic and international tourism i.e. assuming little to no recovery in 2021.

The best-case scenario uses the PWC forecast for GDP as a proxy for domestic tourism demand and the International Air Travel Association (IATA) forecasts of demand for air travel as a proxy for international tourism. The Plan is based on the mid-point scenario for individual visitors and the worst-case scenario for group trade. This is due to the greater proportion of international travellers within the group market and the slower recovery anticipated within this sector. It also reflects a desire to reduce reliance on coach-borne travel due to the lower level of economic benefit this sector brings to the city, coupled with concerns around congestion and pollution.

The Plan projects growth in visitor numbers and visitor-driven income from this rebased 2021/22 figure. It also absorbs the anticipated pay award to be agreed by the Council. Through the lifetime of the Plan, pay is expected to be the biggest cost pressure facing the Service.

The Plan also assumes that the Fashion Museum will close during Q3 2022/23 and that a new Fashion Museum will not open within the life of this Plan. Nevertheless, it is hoped that a suitable location will have been identified and that fit-out work would be under way.

## **6. Business Strategy 2021-2026.**

To achieve the business targets above, and to ensure the swiftest, most sustainable recovery, the Service will continue to implement the broad strategy outlined in previous iterations of the Plan. This will involve:

- Continuing a tiered pricing structure to influence visitor behaviour and encourage visitation at times when the Roman Baths has greater capacity.
- Maximising revenue through admission income.
- Developing increased product differentiation to allow visitors who wish to pay more for an increased product offering to do so.
- Ensuring that experience is at the heart of our product offering, using products like the Prosecco Bar to ensure appeal is as broad as possible.
- Sustaining staffing and investment to support ongoing price increases and improve visitor satisfaction.
- Testing and extending our digital revenue generation, including feasibility work on an online shop.

Following the declaration of a Climate Emergency by the Council, the Plan includes measures to support the reduction in carbon required to deliver the Council's objectives in this regard; this is discussed further in section 6.4 below.

The detailed proposals in The Plan include the following measures:

### **6.1 Roman Baths.**

- Continue the tiered pricing structure introduced in 2019.
- Open the Exercise Yard, an extension of the visitor experience, delivered as part of the Archway project.
- Partner with selected third-party resellers to generate visitors from markets we struggle to attract through our direct channels.
- Develop products with partners which encourage overnight stays in the district to deliver maximum economic benefits from visitors.
- Monitor and review pricing strategy in detail to assess possible impacts on price resistance and yield.

## **6.2 Fashion Museum.**

- Reopen following 12-month closure;
- Build increased awareness of the collection whilst a new permanent location for the Museum is secured;
- Continue to provide loans to other organisations to enable audiences to engage with the collection away from the Museum.
- Hold ticket prices in 2021 to support visitor recovery;
- Visitor recovery achieved via the promotion of the 'saver' ticket (as COVID restrictions are lifted) and improvements in the core visitor offer;
- Expected closure of the Museum in its current location in Q3 2022/23, with associated reductions in admissions, retail, catering and from hire revenue.

## **6.3 Victoria Art Gallery.**

- Reopen following 12-month closure;
- Re-engage previously loyal repeat visitors and extend this audience through the high quality programme of temporary exhibitions.
- Hold prices at 2020 level (they were increased significantly in 2020);
- Charging to include children, reflecting the improved offer and specific exhibitions for this audience.
- Visitor recovery achieved via the promotion of the 'saver' ticket;
- Opening hours extended to include New Year's Day in 2022, to be consistent with the Roman Baths and Fashion Museum.

## **6.4 Climate Emergency.**

Following the Council's declaration of a Climate Emergency in 2019, Heritage Services has considered ways to make changes to its service delivery mechanisms and marketing strategies. Whilst some immediate changes have been made, work planned for 2020 has not progressed as rapidly due to COVID-19; a summary of the current position and planned work is given below.

### **Doing now:**

- We advertise in railway stations and always list the travel time on posters to encourage rail travel.

- Our events and venues team works closely with Great Western Railway to offer discount packages to delegates to encourage rail travel.
- Our “How to get here” section of the website has been updated to put car travel at the bottom of the list.
- We work closely with our Travel Trade partners to advise them of the Council’s Clean Air Zone and discuss the compliance of their vehicles.
- We are working to minimise food miles and use local suppliers in our catering outlets. Searcys have already eliminated the use of plastic straws and disposable plastic cutlery.
- We do not use plastic cups at our sites.
- Through a regular plant and equipment replacement programme we ensure that we are using energy-efficient equipment.
- We will neither seek nor accept funding from an individual or organisation if it is profiting as a result of environmental destruction.

**Being tested:**

- Feasibility work is under way for a project to replace the obsolete heat exchange system at the Roman Baths with an updated version. The scheme will use energy from the thermal spring water to provide heating.
- Exploring options for the lease or purchase an electric van for use in transporting retail stock and goods to our sites.
- Developing an environmental impact assessment as part of the criteria for agreeing touring exhibitions, and loans in/out, including the transport associated with them.

**Thinking about:**

- Explore the feasibility of introducing green-travel discounts from admission prices and establishing partnerships with mass-transit providers such as First Great Western.
- Work to establish a base-line environmental impact assessment of our operations so that future changes can be measured.
- Consider how we can measure and attribute the carbon footprint of visitors to our sites, recognising that for international visitors their visit to Bath is rarely the sole reason for their visit to the UK.

## 6.5 Group visitors.

Pre-pandemic, groups made up over 30% of all Roman Baths visitors. It is important to consider groups in three distinct categories:

- Education;
- Credit customers;
- Other group customers.

Education visitors represent around 1.5% of total visitors to the Roman Baths. This is an audience that will grow with the opening of the Clore Learning Centre in 2021/22 financial year. We offer the greatest level of discount to education visitors to ensure that, as far as is practicable, price does not become a barrier to school groups visiting the Roman Baths.

Credit customers represent approximately 22% of total visitors to the Roman Baths. Whilst they are an important part of our customer base, they typically visit during a small window of the day and bring us the biggest numbers on our busiest days, contributing to overcrowding.

The Group Management Strategy was created in 2018 and seeks to manage down the numbers of visitors arriving in groups, whilst sustaining the revenue generated through these groups. In 2019 we

- Reduced the capacity for group entry during our peak times;
- Extended variable rate pricing to all group visitors making it cheaper to visit in the off-peak months compared to the busiest summer months.

We have increased the prices in 2021 for the travel trade, meaning that their summer price has doubled since 2015.

Further refinement is required to this strategy; in support of a sustainable recovery although a high number of coaches can contribute to congestion, they are one of the lowest polluting forms of transport. Our strategy will encourage and incentivise visits which include an overnight stay or a longer dwell time in the city.

## 6.6 Future developments.

**Fashion Museum:** the Service will continue the search for suitable new premises following the National Trust's decision to enforce the break clause in the Assembly Rooms lease in 2023. Since Bath City Council opened the museum in the Assembly Rooms in 1963, it has developed into one of the world's top ten fashion museums. Its underground position, in a non-central location with no on-street identity, is no longer adequate for an institution of this standing and the best possible location is needed to optimise its accessibility and commercial potential. The museum should not be put in a suitable location purely to solve another, unrelated, problem.

The Service has identified the following criteria for its new premises:

- A highly visible on-street profile;
- A central location in the city to maximise the benefit of the Saver Ticket;
- Dedicated learning space;
- Flexible exhibition space in which to display the permanent collection and temporary exhibitions.

**Victoria Art Gallery:** a business case to repair the roof of the Gallery and replace the failing roof lights with a solution incorporating photovoltaic panels is being developed. It is expected that this scheme would be eligible for grant support. The scheme would secure the fabric of the listed building, protect the collection from water ingress and contribute to the zero carbon objectives of the Council.

The business case undertaken in 2017 to extend the Gallery into the adjacent void to improve its financial sustainability is not feasible within the current financial constraints of the organisation. However the reduced scheme above will develop an improved education facility with discrete space for learning and community engagement activity.

## 7. Investment.

Staffing and investment costs continue to be low when compared with other major visitor attractions. To sustain satisfaction ratings whilst recovering visitor income levels, investment in the quality of the visitor experience is required. However, the level of investment is reduced in the short-term to ensure that the cost-base remains proportional to the income and will be increased through the Plan as visitors and revenue grow.

At the same time, we have reviewed our cyclical maintenance programme and where possible we have extended the cyclical period to assist in addressing the current financial pressures.

### 7.1 Revenue investment.

Revenue investment plan is undertaken under the priorities shown here:

Standards	Visitor Experience	Commercial	Future Offer
Monument conservation	Website Development	Market development	Fashion Museum
Site maintenance	Staff engagement	Shop upgrades	Environmental impact study
Toilet refurbishment	Improved interpretation	Retail product development	
Equipment renewal	Changing exhibitions	Venue hire facilities	

Figure 11: Heritage Services' revenue investment priorities.

### 7.2 Capital investment.

The main projects during the life-time of the Plan will be:

#### The Archway Project.

This £6m project includes a capital contribution by the Council of £1.5 Million, of which £750k is corporately funded and £750k funded by the Service. The project is refurbishing former spa buildings, creating in them a World Heritage Centre and Roman Baths 'Clore Learning Centre'.

The Clore Learning Centre will transform the Roman Baths' educational offer, providing state-of-the-art facilities in line with those at other leading attractions, which will be used not just by schools but by learning and community groups of all ages.

For the first time there will be one city-centre base where residents and visitors will be able to learn why Bath is a World Heritage Site and then go out and explore it for themselves. The project will also open up to public view an area of the Roman Baths that has never before been seen by daytime visitors.

The World Heritage Centre and Clore Learning Centre are planned to open during 2021/22. The Plan provides for net operating costs of between £150k and £200k p.a. from this year onwards.

The term 'Archway', coined as an umbrella for this multi-faceted project, will no longer be used once its component parts have opened to the public.

### **Roman Baths infrastructure.**

The core programme of investment in infrastructure and conservation at the Roman Baths complex will continue at a level of £100-£200k p.a. Individual projects will continue to be reviewed annually by the Heritage Services Advisory Board and via the corporate capital approvals process.

### **Spa water energy capture scheme.**

This project, described in section 6.4, was tendered during 2020; tender returns exceeded the available budget. An additional sum has been included in the Council's provisional capital budget for 2021/22. The scope of the project is being revisited and a revised business case will be developed.

### **Roman Baths Retail Developments**

The main Roman Baths shop was last refurbished 2010, when it was extended to its current size. During the life of the Plan we will explore the feasibility of a digital retail offer, deliver a re-fit of the main shop and retender the merchandising system, to ensure it can deliver the requirements of our offer.

## **The Fashion Museum Relocation**

As discussed in section 6.6 above, a new location is required for the Fashion Museum. Once suitable premises have been found there will be a capital project to fit these out as a museum. This project is anticipated to be attractive to funding bodies and for philanthropy. During 2021/22 work will be completed on the business case and funding plan for this project.

## **Collections Centre**

It will be essential to create a Collections Centre to house the Fashion Museum's 'Designated' collection when it is removed from the Assembly Rooms in 2022/23. The Centre will allow public access to the collection for study and learning to continue. It will enable objects in the collection to be prepared for loan to exhibitions elsewhere.

A Collections Centre will provide secure accommodation and improved specialist study access, it will be an opportunity to maintain the Museum's long-standing partnership with Bath Spa University and its Fashion and Textile Design courses and, ideally, co-locate with them in a single location to mutual benefit.

The Service will also explore the feasibility of whether an expanded Collections Centre could incorporate Bath Record Office, whose archive collections also enjoy Designated status. A combined Collections Centre would provide opportunities for shared building and staffing costs and shared study facilities and work areas.

Business cases for both options will be prepared during the year.

## 8. Marketing plan.

The key objectives for the Marketing Team in 2021 are to deliver marketing campaigns that will aid recovery from the global COVID-19 pandemic, achieving the targets set out in section 5 above. The team will focus on the domestic market while also maintaining key international travel contacts for when international travel begins to recover.

After physical distancing measures have been lifted, the Roman Baths will likely continue to operate with a capacity managed model. This will ensure an excellent customer experience throughout the year, and especially at peak times. We intend to re-introduce walk-up sales in the future, should capacity allow, however, visitors will be strongly encouraged to continue to book online to guarantee entry and avoid disappointment.

The safety measures that we have taken to ensure the health and well-being of all our visitors will form a key part of our messaging, to boost consumer confidence in returning to our museums and stimulate our recovery.

The Marketing Team's priorities are to:

- Focus on the domestic travel market, which is currently predicted to recover faster than the inbound travel market.
- Work with local Destination Management Organisations (e.g. Visit Bath, Visit Wiltshire, Visit Somerset) to help raise the profile of Bath as a UK holiday destination;
- Continue to cultivate and maintain relationships with key contacts in the important inbound visitor markets, particularly with China and the US;
- Form a partnership with an Online Tour Operator to encourage new audiences and Free Independent Travellers (FIT) to the Council's museums;
- Review our digital strategy to ensure that we keep up to date with key trends within the market and grow our online audience and reach;
- Raise awareness of the Archway Project and promote the opening of the new Exercise Yard in the Roman Baths, the Roman Baths Clore Learning Centre and the

World Heritage Centre. Promote the Exercise Yard as a new experience at the Roman Baths;

- Review our brand and communications to build upon our strong reputation as one of the UK's top attractions for both domestic and international visitors;
- Strengthen audience development and community engagement initiatives to diversify current domestic audiences and address brand perceptual barriers;
- Consider opportunities to increase the take-up of the Discovery Card from all areas of Bath and North East Somerset;
- Create a marketing evaluation strategy to improve the effectiveness of our marketing activities.

### **8.1 Marketing campaigns.**

The planned campaigns for 2021 are summarised below. All campaigns are evaluated against Key Performance Indicators, including using tracking URLs, targets for increasing visitors, click-through rates and social media engagement statistics.

Campaign promotion is dependent on the specific objectives and target audiences. Not every mechanism is used for each campaign, but delivery mechanisms will include outdoors media in high-footfall areas such as regional railway stations and shopping areas and other areas of high footfall in Bath, Bristol, Birmingham, Cardiff, Exeter and Swindon. Alongside this will run social media and search campaigns in these areas as well as London, Cotswolds and the South Coast in addition to areas mentioned above.

#### **Easter.**

Creative content will focus on highlighting the fact that the museums have re-opened, promoting the aspects of the museums in a fun way, to engage with kids and develop a closer connection with history.

#### **Summer evenings.**

Our summer campaign will be similar to 2019 but with revised and targeted creative content. The campaign will focus on selling the experience of spending time in the Baths at night with friends and will target a younger (25-35) demographic.

We will also highlight the Exercise Yard as a new offering at the Roman Baths and intend to form partnerships with local sports teams to promote the new feature. Should the timings for the conclusion of the Archway Project coincide, we will also tie the messaging into the Olympics 2020, delayed from last year due to the pandemic.

In addition, we will work with the History Extra Podcast to create a series of three podcasts on the Roman Baths, to be available to download from the History Extra website, reaching 254,000 listeners nationwide. This will allow us to carefully target audiences with higher levels of disposable income and who have an interest in the arts and history.

### **October Half Term.**

Similar to the Easter Term campaign, this will target families looking for fun days out with the kids, highlighting the many family-friendly activities the museums have to offer.

## **8.2 The US and China.**

Though current forecasts estimate that long-haul inbound tourism will be slow to return, we must continue to maintain good relationships with key stakeholders within these markets. When they are ready to visit again, we will work with these providers to promote longer stays in support of the sustainable recovery previously referenced.

The US remained the largest pre-pandemic overseas market for the UK and Roman Baths. We will continue to work with strategic partners such as DMOs and Visit Britain to monitor the market and promote Bath and the Roman Baths as a desirable destination, and attend key travel events to maintain relationships with key travel trade partners. We will also work with an OTA (Online Tour Operator) to reach new overseas audiences, particularly FITs.

China is an important market for the Roman Baths and has been a growth market for many years due, in part, to the early introduction of Mandarin on the audio guides. Pre-COVID, this demographic made up over 10% of the Roman Baths' total audience. We will maintain strong relationships with the China inbound market and welcome familiarisation visits once they can return. We will also continue our strategic partnerships with Chinese Travel Outbound and China Business Network, who manage our Chinese website and social media presence. The promotion of our new Mandarin children's audio guide will form a key part of our communications.

### **8.3 Victoria Art Gallery.**

The Victoria Art Gallery will reopen with the *Kurt Jackson: Biodiversity* exhibition. Our target audience for this exhibition will be arts-engaged visitors and local / regional supporters.

Later in 2021 *Myths and Monsters*, a sequel to the popular *Here be Dragons* exhibition in 2017, comes to the Gallery. This will be a local and regionally-focused campaign aimed at families and will include key media promotion within Bath.

Social Media marketing will continue to be an important part of the Gallery's marketing plan as it has a high rate of repeat visitation and is therefore perfect for relationship marketing tactics.

### **8.4 Fashion Museum.**

The Fashion Museum will reopen with *Shoephoria!* as its new display feature, celebrating 100+ pairs of fabulous shoes. We will highlight the display change through PR support, advertising in targeted publications, targeted radio ads and a regional outdoors media campaign, which will include Bath City Centre to engage with the local community.

We will capitalise on the museum's pre-COVID success and increasing visitor numbers, building its profile and brand awareness nationally and internationally. *Dress of the Year* will remain an important feature of this activity. We will also start building communications, preparing followers for the fact that the museum will be closing in 2022, ahead of moving to another location.

We will continue to promote the permanent exhibition *A History of Fashion in 100 Objects* using an 'always on' approach through social media marketing and Google Display advertising.

## 9. Risk.

The risk inherent in the Service's business activities has been highlighted in stark fashion throughout the coronavirus pandemic. By extension it has highlighted the risk that the Council is exposed to, as the surplus generated by Heritage Services funds its critical services in the community.

Within the Council's General Reserves via the Robustness of Estimates calculation, a risk of £1m was recognised in 2020/21. This was assessed as low / medium risk; the Plan recommends that the total net risk provision should be increased to £2.5 million and be treated as high risk, to reflect the level of uncertainty attached to the visitor income forecasts. It is not possible to know what level of operational restrictions will be required during this time, but an enduring need to limit capacity would restrict revenue generation. The impacts of both Coronavirus and Brexit on international tourism is uncertain and the extent to which the UK is perceived as a safe and welcoming destination will impact recovery rate and revenue.

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. Bath saw an increase in visitors during 2017 due to redirection of tourism from London, Manchester etc.; however a regional incident would negatively impact visitor levels. The proposed city centre counter-terrorism measures are designed to reduce the risk of such an event.

In a business-as-usual context, visitor numbers in any year can also be influenced by common factors such as the weather, the timing of major sporting and political events, and transport issues (as was seen during 2018 with snow, a heatwave and a World Cup all having significant impacts on visitor behaviour). The table at Figure 12 gives a small number of scenarios and the impact on income and profit that could result from even very small variations. A small contingency is held within the budget to manage the impact of minor fluctuations in visitor numbers.

Factor	Visitor numbers	Value of 10% variation in 2020/21
Easter weekend	c. 22,000	c. £36,000
Busy summer Saturday and Sunday	c. 12,500	c. £22,000
Busy summer weekday	c. 5,500	c. £10,000

Figure 12: Typical pre-pandemic Roman Baths' visitor numbers: illustration of variations.

## 9.1 Threats to the business.

### External events.

Every year geo-political, economic, public health, environmental and meteorological events cause uncertainty, deter people from travelling or influence their decisions about where, when and whether to take a holiday. The effects of these have been felt across the visitor attractions sector. Some of the key issues from the last decade are shown in Figure 13 below.

<b>Geo-political / world events</b> <b>2020</b> Brexit <b>2018</b> Middle East unrest; threat of terror attacks <b>2018</b> Novichok incidents, Salisbury <b>2017</b> terror attacks in Europe and UK <b>2016</b> terror attacks in Turkey and Germany <b>2016</b> President Trump elected <b>2015-17</b> war in Syria; migration crisis <b>2015</b> terror attacks in North Africa, France and Belgium <b>2014</b> Malaysian Airlines' disasters <b>2013-14</b> unrest in Egypt, Syria and Iraq <b>2012</b> London Olympics <b>2011</b> bombing of Libya	<b>Environment</b> <b>2019</b> Australian wildfires <b>2018</b> closure due to snow <b>2018</b> UK heatwave <b>2014</b> West Country flooding <b>2012</b> wettest UK summer in 100 years <b>2011</b> Japan earthquake / tsunami <b>2010</b> Ash Thursday
<b>Health scares</b> <b>2019-21</b> Coronavirus pandemic <b>2015-16</b> Zika virus <b>2014</b> Ebola	<b>Economy</b> <b>2021-23</b> <i>Stonehenge tunnel</i> <b>2017-20</b> Brexit uncertainty <b>2016</b> Brexit vote <b>2009-12</b> recession

Figure 13: Issues which may have influenced people's travel-making decisions.

The Plan assumes that there will be ongoing impacts as a result of the Coronavirus pandemic. It assumes that they will largely relate to the supply of visitors rather than ongoing restrictions to capacity and that during 2021/22 the operational restrictions to keep visitors, staff and residents safe will be relaxed. It is however cautious about the rate of recovery, particularly for international visitors. It is also appropriate to note that there is an opportunity to attract more domestic visitors, as there is uncertainty within the domestic audience about booking an overseas holiday.

The potential disruption caused by major works to the A303 in the vicinity of Stonehenge may have a significant impact on our group travel operators during the outer years of The Plan. This scheme received Government approval in 2020 and we will continue to investigate the potential impact of this as detail about the timing of the works becomes clearer.

**Customer price resistance.**

Since introducing the variable pricing in 2019, the Value for Money score has increased in two successive waves of benchmarking. Variations in price between time of week and time of year give customers the choice to visit at a time and price combination that best meet their needs. It should be noted that the benchmarking only surveys people who have visited, and therefore does not reflect any potential visitors who found price to be a barrier to entry; primary research will be conducted to evaluate the perceptions of those who are not visitors to the Roman Baths, Fashion Museum and Victoria Art Gallery.

**Reputation loss.**

The way in which we provide assurance, flexibility and visitor experience during the coronavirus pandemic is key to our reputation and that of the Council. This will be monitored through visitor feedback, exit surveys and social media.

## Financial summary.

<b>Business Plan Summary</b>									
	<b>Prior Year Actuals</b>		<b>Current Year</b>	<b>2021/22 Financial Year</b>		<b>Plan Years</b>			
	<b>2018/19 Act</b>	<b>2019/20</b>	<b>Budget</b>	<b>Business Plan</b>	<b>Budget</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	£	£	£	£'000	£'000	£'000	£'000	£'000	£'000
Admissions	(16,258)	(17,798)	(18,830)	(19,444)	(12,598)	(15,717)	(17,720)	(20,466)	(21,646)
Retail Sales	(2,421)	(2,399)	(2,512)	(2,638)	(1,508)	(1,928)	(2,119)	(2,399)	(2,521)
Room Hire	(541)	(594)	(599)	(611)	(299)	(305)	(186)	(190)	(194)
Catering	(705)	(684)	(625)	(640)	(386)	(394)	(349)	(359)	(370)
Other Income	(340)	(218)	(193)	(197)	(127)	(202)	(176)	(192)	(195)
Grants/Contributions	(139)	(144)	(112)	(100)	(1,756)	(98)	(29)	(29)	(29)
<b>Total Income</b>	<b>(20,404)</b>	<b>(21,838)</b>	<b>(22,872)</b>	<b>(23,630)</b>	<b>(16,673)</b>	<b>(18,644)</b>	<b>(20,579)</b>	<b>(23,636)</b>	<b>(24,956)</b>
Employee Costs	4,702	4,959	5,191	5,308	4,970	5,233	4,962	5,061	5,263
Premises Costs	1,293	1,371	1,320	1,378	1,355	1,527	1,589	1,655	1,724
Transport Costs	31	34	36	33	31	31	31	32	32
Supplies & Services	3,044	3,185	3,383	3,465	2,434	2,888	2,992	3,162	3,252
Other Costs	1	1	1	1	1	1	1	1	1
Unallocated Budgets	0	0	0	0	0	0	0	0	0
Investment	1,330	1,086	1,753	2,078	973	1,922	1,989	1,510	1,564
<b>Total Expenditure</b>	<b>10,401</b>	<b>10,636</b>	<b>11,684</b>	<b>12,263</b>	<b>9,764</b>	<b>11,603</b>	<b>11,565</b>	<b>11,421</b>	<b>11,836</b>
Internal Income	(2,903)	(2,891)	(3,065)	(3,209)	(3,007)	(3,090)	(3,160)	(3,223)	(3,331)
Recharge codes	4,368	4,481	4,571	4,760	4,469	4,589	4,627	4,688	4,816
<b>Internal Recharges</b>	<b>1,465</b>	<b>1,589</b>	<b>1,506</b>	<b>1,551</b>	<b>1,462</b>	<b>1,500</b>	<b>1,467</b>	<b>1,465</b>	<b>1,485</b>
<b>(Surplus) / Deficit</b>	<b>(8,538)</b>	<b>(9,612)</b>	<b>(9,682)</b>	<b>(9,815)</b>	<b>(5,447)</b>	<b>(5,541)</b>	<b>(7,548)</b>	<b>(10,750)</b>	<b>(11,635)</b>
Operating Margin	41.8%	44.0%	42.3%	41.5%	32.7%	29.7%	36.7%	45.5%	46.6%
Operating Margin (pre investment)	48.4%	49.0%	50.0%	50.3%	38.5%	40.0%	46.3%	51.9%	52.9%
Wage %	23.0%	22.7%	22.7%	22.5%	29.8%	28.1%	24.1%	21.4%	21.1%

Figure 14: Heritage Services Business Plan financial summary.

## Heritage Services Awards 2006-2020

Bath & North East  
Somerset Council



## Roman Baths Awards 2006 – 2020

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### 2020 Visit England Tourism Excellence Awards (national)

Large Visitor Attraction of the Year – SILVER

International Tourism - SILVER

### South West Tourism Excellence Awards

International Welcome – GOLD

Large Visitor Attraction of the Year – GOLD

Access & Inclusion – GOLD

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### 2019 Bristol, Bath & Somerset Tourism Excellence Awards

Large Visitor Attraction of the Year – GOLD

International / Inbound Visitor Experience – GOLD

Business Tourism Venue – GOLD

### South West Tourism Excellence Awards

International Visitor Experience – GOLD

Large Visitor Attraction – GOLD

Business Tourism Venue – SILVER

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### 2018 Visit England Tourism Excellence Awards (national)

Inclusive Tourism – GOLD

Inbound Tourism – SILVER

### South West Tourism Excellence Awards

Best International Visitor Experience – GOLD

Access & Inclusivity – GOLD

Business Tourism Venue – BRONZE

### The National Autistic Society (national)

Autism-Friendly Award – WINNER

### 2018 CIE Tours Ireland (international)

Best Heritage Site in UK – GOLD

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### 2017 Bristol, Bath & Somerset Tourism Excellence Awards

Best International Visitor Experience – GOLD

Access & Inclusivity – GOLD

Large Visitor Attraction of the Year – BRONZE

### Visit England Tourism Excellence Awards (national)

Large Visitor Attraction of the Year – RUNNER UP

### UK Wedding Awards (national)

Best Historic Venue – GOLD

### South West Tourism Excellence Awards

Large Visitor Attraction of the Year – GOLD

Best International Visitor Experience – SILVER

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/ P.T.O.

2016	<p><b>Bristol, Bath &amp; Somerset Tourism Excellence Awards</b>  Best International Visitor Experience – GOLD  Large Visitor Attraction of the Year – GOLD  <b>Visit England Tourism Excellence Awards (national)</b>  Access for All – SILVER  <b>South West Tourism Excellence Awards</b>  Access &amp; Inclusivity – GOLD  Overall – WINNER OF WINNERS  <b>The National Autistic Society (national)</b>  Autism-Friendly Award – WINNER</p>
2015	<p><b>Visit England Tourism Excellence Awards (national)</b>  Large Visitor Attraction of the Year – HIGHLY COMMENDED  <b>CIE Tours Ireland (international)</b>  Award of Excellence – SILVER  <b>South West Tourism Excellence Awards</b>  Large Visitor Attraction of the Year – GOLD</p>
2014	<p><b>CIE Tours Ireland (international)</b>  Award of Excellence – SILVER</p>
2013	<p><b>Visit England Tourism Excellence Awards (national)</b>  Large Visitor Attraction of the Year – SILVER  <b>CIE Tours Ireland (international)</b>  Award of Excellence – SILVER  <b>South West Tourism Excellence Awards</b>  Large Visitor Attraction of the Year – GOLD</p>
2012	<p><b>European Museum of the Year Awards (international)</b>  FINALIST  <b>CIE Tours Ireland (international)</b>  Award of Excellence – SILVER  <b>South West Tourism Excellence Awards</b>  Access for All – HIGHLY COMMENDED</p>
2011	<p><b>The Art Fund Museum Prize (national)</b>  Museum of the Year – FINALIST  <b>Royal Institute of Chartered Surveyors Awards (South West)</b>  Community Benefit award – WINNER  <b>Meeting &amp; Incentive Travel Industry Awards (national)</b>  Access Excellence – BRONZE</p>
2010	<p><b>Museums &amp; Heritage Awards for Excellence (national)</b>  Classic Award for continuous improvement – WINNER  <b>China Outbound Travel and Tourism Market (international)</b>  China Welcoming Tourists Marketing award – SILVER  <b>Able Radio (national)</b>  Online radio station for the special needs community – GOLD</p>
2009	<p><b>Learning Outside The Classroom (national)</b>  H.M. Government’s quality badge  <b>Sandford Award for Heritage Education (national)</b>  Awarded by the Heritage Education Trust</p>
2008	<p><b>National Training Awards</b>  Best Medium-Sized South West Business – WINNER</p>
2006	<p><b>Museums &amp; Heritage Awards for Excellence (national)</b>  Marketing category – WINNER (for the introduction of Mandarin audio guides)</p>