

# 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.

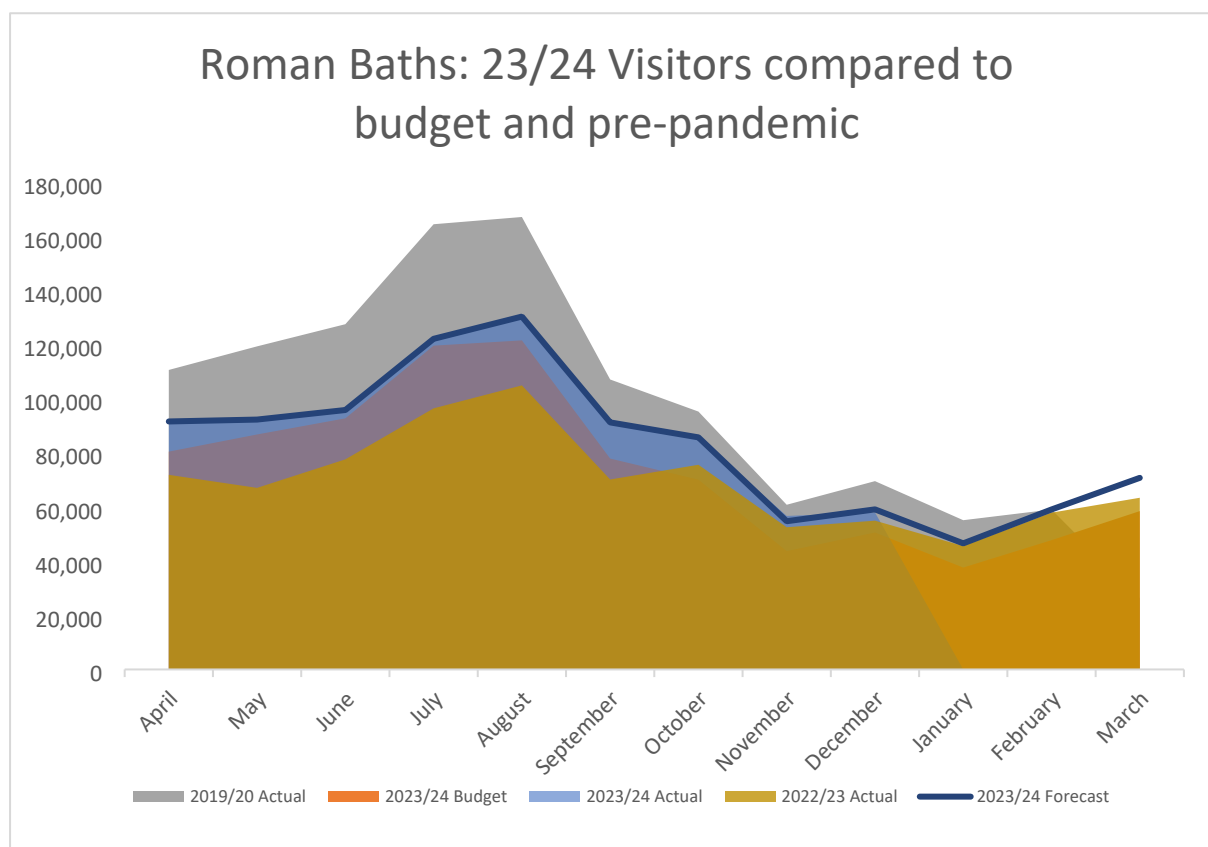


Figure 1: 23/24 Financial Year Roman Baths visitor numbers

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.

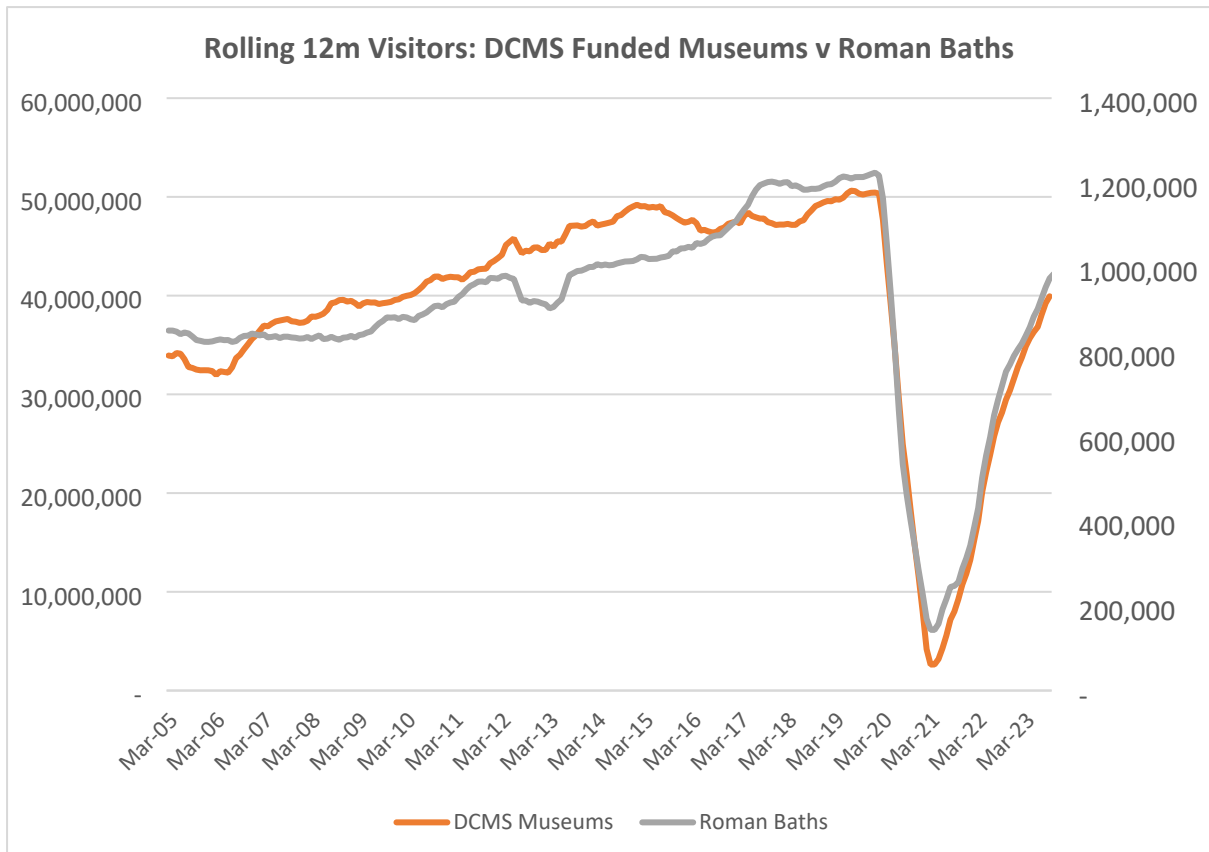


Figure 2: Rolling 12 month DCMS funded museum and Roman Baths visitor numbers

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.<sup>1</sup>

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.

<sup>1</sup> 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.

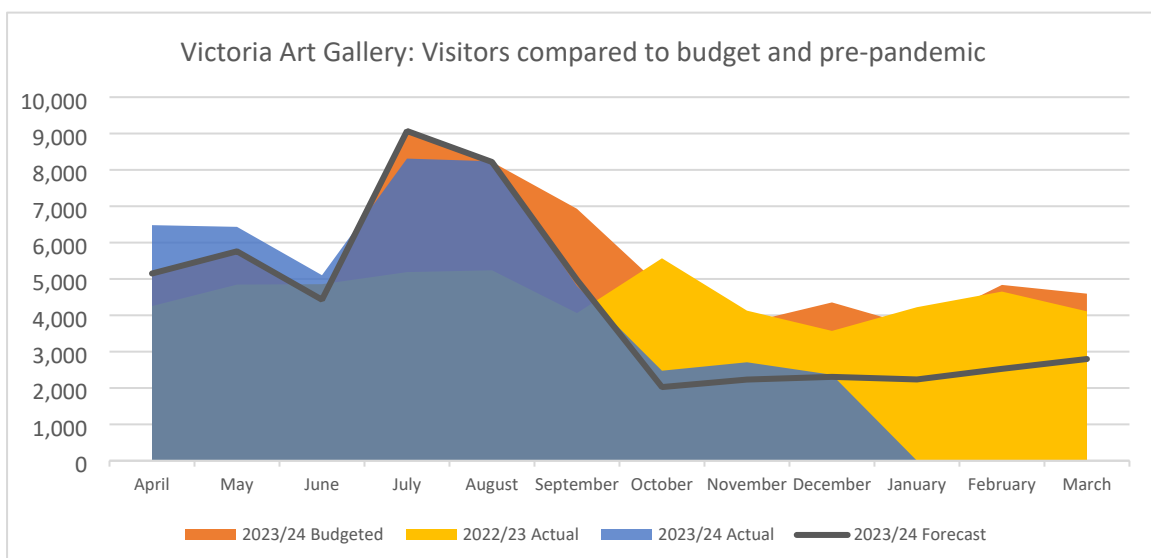


Figure 3: Victoria Art Gallery Visitor Numbers

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<br>(actual) | 2023/24<br>(forecast) | 2024/25<br>(proposed) | 2025/26<br>(proposed) | 2026/27<br>(proposed) | 2027/28<br>(proposed) | 2028/29<br>(proposed) |
|--------------------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| External turnover (£000)       | 20,737              | 24,336                | 27,509                | 29,628                | 30,350                | 31,164                | 31,978                |
| <b>Net Profit (£000)</b>       | 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

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### Business Plan Summary

|                                 | Prior Year Actuals |                  | 2023/24         |                   | 2024/25         | Plan Years       |                  |                  |                  |
|---------------------------------|--------------------|------------------|-----------------|-------------------|-----------------|------------------|------------------|------------------|------------------|
|                                 | 2021/22<br>£'000   | 2022/23<br>£'000 | Budget<br>£'000 | Forecast<br>£'000 | Budget<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 | 2028/29<br>£'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)             |
| <b>Total Income</b>             | <b>(14,347)</b>    | <b>(20,737)</b>  | <b>(21,189)</b> | <b>(24,336)</b>   | <b>(27,509)</b> | <b>(29,628)</b>  | <b>(30,350)</b>  | <b>(31,164)</b>  | <b>(31,978)</b>  |
| 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              |
| <b>Total Expenditure</b>        | <b>8,895</b>       | <b>13,569</b>    | <b>11,365</b>   | <b>12,335</b>     | <b>13,708</b>   | <b>14,488</b>    | <b>15,019</b>    | <b>15,527</b>    | <b>16,114</b>    |
| 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            |
| <b>Internal Recharges</b>       | <b>1,451</b>       | <b>1,461</b>     | <b>1,585</b>    | <b>1,585</b>      | <b>1,597</b>    | <b>1,788</b>     | <b>1,788</b>     | <b>1,779</b>     | <b>1,770</b>     |
| <b>Contribution to Reserves</b> | <b>0</b>           | <b>6</b>         | <b>6</b>        | <b>6</b>          | <b>6</b>        | <b>6</b>         | <b>6</b>         | <b>6</b>         | <b>6</b>         |
| <b>(Surplus) / Deficit</b>      | <b>(4,001)</b>     | <b>(5,700)</b>   | <b>(8,233)</b>  | <b>(10,410)</b>   | <b>(12,198)</b> | <b>(13,346)</b>  | <b>(13,537)</b>  | <b>(13,851)</b>  | <b>(14,088)</b>  |
| 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<br>(actual) | 2022/23<br>(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<br>** includes activities run at the Fashion Museum, which has closed<br>*** Discovery Cards have a 5 year renewal lifecycle meaning those issues in 22/23 will begin to expire in 27/28 |                     |                       |         |         |         |         |           |