

THE BEACON MUSEUM PROJECT

EXECUTIVE MEMBER: Councillor Elaine Woodburn
LEAD OFFICER: Julie Betteridge, Head of Regeneration and Community
REPORT AUTHOR: Julie Betteridge, Head of Regeneration and Community

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The Beacon is Copeland's local museum setting out the culture and heritage of the borough through its galleries for local residents and visitors to experience and interact with. The collaboration with Sellafield Limited will enable the Sellafield Story to complement the existing exhibition and continue the Beacon presence in Whitehaven Harbour for all Copeland communities.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

(eg Key Decision, Policy recommendation for Full Council, at request of Council,etc.)

This report details progress on the Collaborative Model and re-opening of the Beacon Museum and updates the Executive on the operating arrangements including the lease and grant.

RECOMMENDATIONS:

Executive are requested to:

- a) Note the progress of the Beacon Collaboration since the last report to Executive at its meeting In March 2014, particularly noting the successful re-opening of the Museum and completion of the formal lease and grant arrangements; and
- b) endorse the development approach being taken to look at the opportunities to expand the facility to enable additional income opportunities in line with the Business Plan.

1. INTRODUCTION

- 1.1 The Beacon Museum is part of the delivering differently approach being pursued by the Council as a result of the policy led budget reduction measures agreed by Full Council in February 2013 which set out the options for the Council to move the Beacon to a collaborative arrangement or to close the Council's museum.
- 1.2 Executive has received reports on the Beacon Collaborative Operating Model at its meetings in December, 2013, January and March, 2014. From these meetings, the Executive has agreed to the new operating model which has the Council as lead party for the Museum, continuing to act as the accountable body and the employer of Museum staff and to the Heads of Terms for the lease arrangement for our collaborative party, Sellafield Ltd, to locate its new exhibition, the 'Sellafield Story' on floor 2 as an integral and interactive part of the Beacon Museum. The Executive received and endorsed the detailed Business Plan in March, 2014.

2. PROPOSALS

Progress Update

- 2.1 Sellafeld Ltd and the Council have finalised all the detailed negotiations on the lease terms and service charge with the completion of the documentation and formal signing by both parties. The five year commercial lease will provide commercial income to the Beacon Museum along with monthly grant payments from Sellafeld Ltd every year this lease is in place. The licence with Sellafeld Ltd for the old Museum Library space as a project office expired at the end of May 2014 with the formal re-opening of the Beacon Museum.
- 2.2 The strategic and project risks have been carefully monitored throughout the past year and brought regularly to Executive as part of the Beacon reports. One of the key risks was completing the new exhibitions, refurbishment and replacement lift within the timescale set for the re-opening of the Beacon ie the spring half term week. Thanks to the intense activity of all teams and parties involved in the tasks everything was ready for the media day on 23rd May and then for the 10am re-opening of the Beacon on Saturday, 24th May, 2014.
- 2.3 The first week visitor statistics from our re-opening has been matched against our visitor projections in the business plan. We anticipated 400 family tickets where we actually sold 193. We anticipated 200 full paying adults, the actual figure was 267. We anticipated 400 child admissions where we had 74. 159 visitors chose to only visit the free Harbour Gallery and over 900 people attended the free admission launch day, over half children. It should be noted this was with limited marketing activity until a week before the formal launch on 30th May. A full summer marketing plan is now being pursued actively including a radio campaign and stronger promotional links with GoLakes, Northern Rail and other existing bodies who have worked closely with the Beacon Museum in the past 6 years. Early comments from visitors and stakeholders are attached at appendix A.
- 2.4 The Business Plan set out the financial challenge of moving to a commercial collaborative model. From 1 April 2014, the Sellafeld party to the collaboration bring an income stream of just over 60% in the first year. The 2013/14 final trading account has provided £22,438 operating surplus which will be put back in the Beacon Sinking Fund leaving a total of £81,080 in this ear marked reserve for year 1. Apart from Sellafeld there has been no income into the Beacon in 2014/15 until the soft launch re-opening on 24th May 2014. The formal launch day was operated as "free entry". The remaining six days of May admissions income was a quarter of our target of £6,220. This period includes our busy free launch day. The Beacon Collaborative Steering Group and the Council's internal monthly Beacon Project Board will be monitoring monthly the income projections against actual income.
- 2.5 The collaborative team ensured that both internal and external signage has been replaced and updated. Joint communication activity worked well in preparing and delivering the formal launch.
- 2.6 Executive are asked to note the installation of the Sue Palmer memorial sun dial at the top of the car park near the entrance to the Museum.

- 2.7 A further strategic risk has been mitigated in the past month with the successful recruitment of the Beacon Museum Director. The new post-holder, Elizabeth Kwasnik, will begin her employment on 30th June, 2014.
- 2.8 Work continues to develop and improve the offer at the Beacon Museum including picking up development plans set out in the Business Plan to expand the facilities at the Museum to increase visitors and income. Early development activity is looking at the opportunity of external funding to assist with an additional gallery and more meeting space. Early funding investigations are being led by Copeland Borough Council as the Museum accountable body.

3. CONCLUSIONS

- 3.1 Executive is asked to note the progress and successful first two months of the new collaborative operating model of the Beacon Museum. The Museum has been re-opened on 24th May 2014 after being closed to visitors since 7th January, 2014. The formal launch day marked the formal recognition of the Beacon Museum collaboration with Baroness Verma opening the Sellafeld Story exhibition and Professor Brian Cox joining guests to celebrate the achievement of collaboration between culture, heritage, science and engineering.
- 3.2 We have a monthly management framework managing known risks and identifying continuing opportunities to maximise income opportunities to consolidate the commercial collaborative operating model. Executive are being asked to endorse the activity being undertaken to identify external funding to expand the facility to enable additional income opportunities in pursuance of the self-financing approach of the collaborative operating model.

4. STATUTORY OFFICER COMMENTS

- 4.1 The Monitoring Officer's comments are: The report sets out progress on the collaborative operating model as previously requested and includes assessment of risks and appropriate mitigating measures.
- 4.2 The Section 151 Officer's comments are: The Beacon business plan contains several risks especially with regard to visitor numbers and a number of untested business assumptions. Lease agreements with sellafeld are now in place and so this income is guaranteed. It will require careful monitoring over the following few months to ensure that predicted visitor numbers (upon which the business model hangs) are achieved.
- 4.3 EIA Comments: The collaborative option addresses the equality impact assessment undertaken as part of the Policy Development Group process in Summer 2012 which highlighted concerns about impact on schools of the Beacon reducing its budget and education work. The Equality Impact Assessment undertaken against the collaborative operating model and five year business plan with the Council and Sellafeld ensures continued access for all local residents and maintains free access for schools to the Museum.
- 4.4 Policy Framework: In February 2013, Full Council concluded a policy-led budget setting process which identified an overall budget strategy driven by a clear set of

new priorities for the Council. The approach being taken with the Beacon Collaborative Operating Model is consistent with the agreed budget policy position taken by the Council in February 2013 of “We will manage income from fees and charges looking to move discretionary services to a self-financing position where they cover their costs including overheads.”

- 4.5 Other Consultee Comments, if any: Key stakeholders were invited to the launch and to comment on the refreshed Beacon Museum. Customer feedback continues to be sought from all visitors to the museum through a number of mechanisms in the Museum and at the Museum reception area.

5. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 5.1 The parties to the Collaborative Operating Model have set out what project management roles they are taking. The Collaborative Steering Group have terms of reference and a focus on delivering the business plan.
- 5.2 The strategic risk register for the collaborative operating model moving to a commercially sustainable Beacon Museum is attached at Appendix B. The lease now completed has been a significant risk to the Beacon Museum Forward Plan till now. The launch and re-opening have also ensured key risks have been effectively managed. Currently the most significant risk is in maintaining visitor interest and income in line with the business plan projections although very early signs are positive.

6. RESOURCE REQUIREMENTS

- 6.1 The Council will be the lead party for the day to day operation of the Beacon. This is in line with:
- The Beacon building asset being owned by the Council;
 - The Council holding a linked lease for a small strip of Whitehaven Harbour Commissioners land on the harbour-side;
 - The Council holds the Museum and Curatorial policies and procedures which underpin the Museum Accreditation Status renewed by the Council in the past year;
 - The Beacon has run effectively as a cost centre within the Council in the delivery of its last five year Business Plan including recycling all surplus back into the delivery and development of the Museum through an earmarked reserve mechanism.

7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 7.1 The Beacon Collaborative Operating Model has been developed to deliver the Council's budget reduction target for the Beacon for 2014/15 onwards.
- 7.2 The Beacon will be retained as an accredited museum and local education centre on Copeland's heritage and culture.

List of Appendices

Appendix A: Early Visitor feedback on the refreshed Beacon Museum

Appendix B: Beacon Museum Strategic Risk Register

Appendix A: Early Visitor Feedback

Visitor book comments from The Beacon Museum launch day 30/05/14

Baroness Verma

Dept. of Energy and Climate Change

"It was a great privilege and pleasure to have been at the launch of the 'Sellafield Story' at the Beacon Centre. I would like to personally thank Elaine Woodburn and all the teams and stakeholders for making this centre one of enjoyment and interaction. The Centre will offer a great opportunity for all to see how the nuclear industry works well within the local community. Thank you."

Professor Brian Cox

University of Manchester

"An absolutely superb exhibition, telling the story of nuclear physics and nuclear engineering. Magnificent!"

A message in a bottle May 2014

1. We are so impressed with the range of things for the kids 6+8 to do and the information for kids and adults. The weather report was a hip upstairs
2. The beacon really is the BEST! By Grace
3. I love this place, Lyndon age 5
4. Need an annual pass at a sensible cost to locals. Love the changes so far. Glad you kept the Roman games, C Degler
5. Lovely
6. Good day
7. Excellent
8. Splendid, Redcar. Missed a trick with the vertical pier
9. A modern day exhibition

Appendix B: Beacon Museum Strategic Risk Register June 2014

Beacon Museum forward plan risk register – 2014-2019

<i>Item</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Comment</i>
Lack of legal commitment by our Collaborative Partner	1	3	Low	The legal arrangements of the lease and grant are now in place. The Memorandum of Collaboration principles are agreed.
Inability to recruit Successfully to the Manager	1	3	Low	Director recruited – planned to start employment on 30/6/14
Non delivery of Beacon Business Plan	2	3	Medium	Assumptions are based on past operating evidence
Inability of lease arrangements and income targets to enable full cost recovery by CBC	2	2	Medium	The first two years will have benefit from the sinking fund to smooth early small losses.
Not enough surplus for sinking fund to enable gallery refresh in 2015/16 and new gallery in 2016/17	2	3	Medium	In first two years the profit and loss is built on conservative income estimates offering minimal profit margins – surplus is required to refresh the gallery – mitigation will be to look for external grants to assist with new exhibitions
Retail sales do not meet target	2	2	Medium	Concern over reduction in disposable income levels of visitors who once they pay for admission have no further resources to purchase in the Museum Shop. Mitigation is the Beacon Pass introduction by year 2.
Loss of experienced capacity of Beacon Museum Team	2	3	Medium	The team are continuing to actively engage but this cannot be taken for granted. We have lost one staff member and recruited a replacement successfully. The Business Plan and collaborative commitments provide a level of confidence to staff.
Lack of visitor interest in new	2	3	Medium	Positive stakeholder feedback. Reliant on marketing and

exhibitions				comms activity in year 1.
Sustained visitor interest	2	3	Medium	Dependent on revised Beacon exhibit quality and interaction and marketing activity planned.
IT upgrades not undertaken, linked to CBC core systems and not fit for purpose	2	3	Medium	Plans are developing to deal with key concerns. Some of this work will be completed in year 1 in line with capacity issues.
Development Plan to enable physical upgrades and gallery redesign unable to obtain funding package	2	3	High	Requires external funding. Bids will be made in year 1.
CBC unable to maintain core resources and lead delivery role	1	2	Low	Reliant on the future operating model of the Council and its continued budget reduction impact on the availability of corporate resources.
Lack of resources and resourced partners to deliver the Harbour Gallery programme	1	2	Low in year 1 moving to medium in year 2	Requires a package of funding to enable a quality mix. The programme for year 1 is agreed and resourced. Work will begin early on programming years 2-5.
Shared risks approach	2	2	Medium	Within the Collaboration principles and the key tool in year 1 will be the sinking fund which carries forward a sum over £50,000 as detailed in the business plan.
Full cost recovery being met	2	2	Medium	Linked to commercial model requirement to meet all CBC costs through income targets. The business plan is prudent and based on previous operational evidence of the Museum. Visitor numbers during the first year assume visitors treat the Sellafeld Story as a blockbuster impact.