

REPORT TO SCRUTINY COMMITTEE ECONOMY & EXECUTIVE

Date of Meeting: 12th November 2015 and 17th November 2015

Report of: Museums Manager & Cultural Lead

Title: New Income Generating Initiatives at RAMM: Donations Campaign and Temporary Exhibition Admission Charges.

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1. This report focuses on two new initiatives at the Royal Albert Memorial Museum (RAMM) designed to generate income to support the museum's 'core' costs and service delivery. These proposals are made in the context of the financial challenges faced by the local authority and the service review this had driven. The first initiative relates to the introduction of admission charges for some temporary exhibitions. The second, provided to Members for information, concerns a new donations campaign encouraging increased levels of individual giving.

2. Recommendations:

That Scrutiny Committee - Economy requests the Executive to approve the following:-

- 2.1. The introduction of a visitor admission charge in relation to temporary exhibitions at RAMM. The first ticketed temporary exhibition planned will be the International Garden Photographer of the Year which will take place 23 April – 28 August 2016;
- 2.2. Delegated authority to be given to the Museum Manager, in consultation with the Portfolio Holder, to decide when an admission charge should be applied to any of the temporary exhibitions at RAMM;
- 2.3. To agree that a follow up report is produced for Members to present the results and findings around charging for International Garden Photographer of the Year. Based on the findings of this first exercise, a stepped approach to charging for some exhibitions may be developed. At this stage it is considered likely that charges will be attached to selected and not all temporary exhibitions. (See paragraph 8.2); and
- 2.4. To note the related donations campaign, which also invites visitor's financial contribution.

3. Reasons for the recommendation:

3.1. At present entry to the museum, permanent displays, temporary exhibitions and some events and activities are free, as well as experiences to enrich the visit, including Wi-Fi, activity bags for children and handling activities. General admission and many activities will remain free to visitors.

- 3.2. Income generation at RAMM, with the aim of reducing the City Council's revenue expenditure on the service, has been the subject of several discussions with Members.
- 3.3. A number of activities are currently offered through paid tickets, these include tours, talks, lectures, evening events and workshops. In delivering these activities RAMM seeks to support its core costs.
- 3.4. In this report's proposals general admission to the Museum and many other 'enrichment' activities will remain free to visitors.
- 3.5. New internal systems will support our income generation activity. A new Customer Relationship Management System will allow us to gather and manage information about visitors, informing our planning around audience development, future programming, marketing and fundraising. The systems will also enable the streamlined management of financial transactions taking place in the museum and online; producing better management and operational information. This system has been separately and externally funded.

4. What are the resource implications including non financial resources.

- 4.1. The public's acceptance of exhibition charging will be related to their wider understanding of the funding challenges facing the local authority; service transformation and the need for cost savings in all areas of council delivery. The introduction of charges is a significant change for Exeter residents and will need careful communication corporately and by RAMM. Input from the City Council's Communication Team and potentially Members will be required.
- 4.2. Part of RAMM's task will be to communicate the need for the public's support, given recent investment received and a track record of success. A proactive donations campaign will highlight the wider need for visitors to help provide financial support. It will differ from the current 'Ask' of visitors by concentrating instead on the benefits of RAMM as a shared public space and experience for visitors. It draws on recent research from the New Economics Foundation which identified the key factors influencing mental health, well being and happiness. RAMM's donation campaign highlights to visitors how their visit has benefitted them and others and encourages a reciprocal donation as a result.
- 4.3. Selling and issuing tickets for temporary exhibitions will involve some setup costs. RAMM plans to minimise any additional costs by encouraging ticket purchases through the museum's existing till points and advance on-line sales. However the need to respond to 'impulse' decisions by visitors in the gallery is recognised and we plan that tickets should be immediately available from the Museum Assistant on duty. Costs involved will include mobile PDQ credit card reader (£199.99 for three month plus £23.00 for set up and collect fee) and tablet (existing equipment) for collecting ticket sales information. These set up costs will be covered through initial sales income. It will require IT support from Strata. The immediate ticket sales will create additional demands on the Museum Assistant Team which we plan to mitigate through the employment of casuals when necessary and front of house volunteers. Our calculations are based on one additional member of front of house staff (casual staff member) joining the Visitor Services Team for the duration of the charging exhibition.

5. Section 151 Officer comments:

- 5.1 The section 151 Officer is satisfied that the costs required to set up the scheme are modest. However, the returns are also modest and it is not therefore proposed

necessary to change the Museum budget at this stage. If approved and the scheme is successful, then this will be reviewed as appropriate.

6. What are the legal aspects?

6.1 This information will be sought and reported back to Committee if any issues arise.

7. Monitoring Officer's comments:

7.1. The Monitoring Officer recommends that a policy showing which type of exhibition would attract an entry fee and how much is to be charged should be introduced following the consideration of the content of the report referred to in paragraph 2.3 above.

8. Report details:

8.1. These proposals form part of RAMM's drive to make a positive income contribution to offset its revenue costs. As a major area of council expenditure, RAMM was a significant feature in the questions that formed the Cultural City section of the 'Stronger Exeter' consultation that took place in autumn 2014. This provided direct public feedback about the value the community placed on the museum but also their willingness (or not) to accept charging for different areas of service. Whilst there was strong resistance to the introduction of a general admission charge, the consultation results showed a preparedness to pay for special exhibitions. 833 people said 'charging for entry to special exhibitions' should be considered, 452 disagreed, 202 people were unsure. On this basis the museum now wishes to explore the introduction of paid ticketing for some temporary exhibitions.

8.2. The proposal is to commence by introducing a charge for the International Garden Photographer of the Year 23 April – 28 August 2016. The International Garden Photographer of the Year is a well known, popular exhibition which will bring with it an audience of its own. This is a touring exhibition, many of the venues showing it are National Trust properties, as well as venues which have an admission cost.

8.3. After this initial exercise and further report to Members, our intention would be, (subject to their approval) to identify exhibitions within RAMM's mixed programming that are felt to have particular potential for footfall and income generation, whether this is through subject appeal; high profile partnership, known interest groups, media links and unique selling properties. Other exhibitions in the programme are likely to remain free admission, for instance those based on RAMM's collections; community shows or those with specific external funding constraints. Careful consideration would need to be given to ticketing for selling shows which generate commission for ECC, as this may inadvertently restrict number of 'would be' purchasers.

8.4. Many other museums and galleries have already implemented exhibition charging, so RAMM is introducing practice already in place in other UK towns and cities. Evidence from national and other regional museums is that a 10% 'conversion' rate is typical (i.e. 10% of visitors coming to a free admission museum will pay the ticket price for a special exhibition). RAMM's particular visitor pattern of frequent visits from a core local audience, may mean the conversion rate is as low as 5%. RAMM is undertaking visitor sampling over the autumn to establish the proportion of current museum visitors who also see the temporary exhibitions. (At present our automated counting only collects data at entry/exit points, not within museum's spaces). This baseline information will enable RAMM to understand its match with experience nationally, the impact of

charging on visitor patterns and the delivery of other performance indicators (for external funding).

8.4.1. For illustrative purposes we can provide estimated income which could have been generated on a mixture of past exhibitions, offset against exhibition costs, please note it is not always possible to track the complete final spend due to the complexities of the financial system.

Exhibition	Description	Cost*	Potential visitor numbers	Potential income** 10% conversion	Outcome (net) **	Potential income *** 5% conversion	Outcome (net) ***
Paper Persuaders 27 Sept 2014 to 22 Mar 2015	Bought-in touring exhibition	£2,500 - £6,500 staffing = £9,000	6,948	£20,844	£11,844	£10,422	£1,422
Art & Soul 22 Nov 2014 to 12 Apr 2015	RAMM generated major loan exhibition supported by £40,000 from Arts & Humanities Research Council via University of Exeter	£6,000 - £6,500 staffing = £12,500	8,383	£25,044	£12,544	£12,574	£74.00
Benedict Rubbra 2 May to 9 Aug 2015	Individual local artist	£1,000 - £6,500 staffing = £7,500	5,990	£17,890	£10,470	£8,985	£1,485
West Country to World's End 26 Oct 2013 to 2 Mar 2014	RAMM generated major loan exhibition supported by £40,000 from Paul Mellon Fund for British Art	£21,000 - £6,500 staffing = £14,500	8,453	£25,359	£10,859	£12,679.50	-£1,820
Social Fabric 23 May to 6 Sept 2015	Touring show from British Museum, with some RAMM content, costs largely borne by BM	£2,000 - £6,500 staffing = £8,500	7,732	£23,196	£14,696	£11,598	£3,098

*These costs do not include: curation, conservation, design, marketing, promotion and administration. These are provided by in-house staff.

Staffing - The cost for one casual each day is @ £6500 (*Calculation: £8.02 x 7.5hrs per day = £60.15 x 108 days [18 six day weeks] = @ £6500*)

** Based on 10% of visitors attending RAMM over the time period of the exhibition visiting the gallery space and 50% of visitors purchasing a full price ticket £4 and 50% a concession rate of £2.

*** Based on 5% of visitors attending RAMM over the time period of the exhibition visiting the gallery space and 50% of visitors purchasing a full price ticket £4 and 50% a concession rate of £2.

- 8.5. Visitor response to charging for International Garden Photographer of the Year will be monitored to inform our approach to potential charging in the future. The 'experimental' nature of this initial exercise is recognised and we expect to learn and refine our approach depending on visitor response to the principle of charging; their propensity to purchase tickets; level of charging and satisfaction rates. Initial work to develop systems to support and market ticketing for International Garden Photographer of the Year will form the basis of this initiative for other shows.
- 8.6. In the longer term we anticipate costs per ticket will vary for each temporary exhibition according to size and nature of exhibition and the cost of hosting or commissioning. Subject to Committee approval of delegated authority, Museums Manager would agree ticket pricing in consultation with h Portfolio Holder.
- 8.7. For International Garden Photographer of the Year the following ticket prices are envisaged.
- Adult: £4.00
 - Concessions: £2.00 (Students, X-card holders, supporter groups such as the Friends, Art Fund)
 - 19s and under: Free (given the requirement for full time education)
 - Groups: 1 person in 10 goes free

Which could equate to:

Exhibition	Description	Cost*	Potential visitor numbers	Potential income** 10%	Outcome ** (net)	Potential income *** 5%	Outcome *** (net)
International Garden Photographer of the Year	Bought-in touring exhibition	£5,655 - £6,500 = £12,115	5,000	£15,000	£2,885	£7,500	-£4,615

- 8.8. It is important to note that a visit to the museum remains free. As an example the space used for the International Garden Photography of the Year exhibition equates to only 6% of the total gallery space within the museum. So by far the larger percentage of the museum space is free to enter.
- 8.9. **DONATIONS CAMPAIGN:** a donations campaign designed to encourage individual giving will be launched in late 2015 and will be underway at the time of exhibition charging introduction. The campaign does not concentrate purely on the act of giving money, it is a larger campaign which describes the benefits of RAMM as a valuable shared space for visitors, providing the essential elements known to generates sense of wellbeing and happiness (as defined by the New Economics Foundation). Locally, our campaign describes them as the 5 STEPS TO HAPPY, which are viewable in the museum and supported by an online campaign, which provides us with another stream of fresh customer data. The 5 STEPS TO HAPPY are:

1. Be Generous – be of a giving nature
2. Be Social – connect with others
3. Stay Active – take care of yourself
4. Keep Learning – keep your mind keen
5. Take Notice – look around you.

8.10. The campaign elements are shown in the museum, highlighting opportunities and activities offered by the museum to develop these skills. This campaign gives a different insight into the value of RAMM, not just as a museum space, but a service which also delivers well being benefits to individuals and the community.

8.11. Through this campaign we will highlight donations boxes and the need to donate, as well as activities available in the museum including volunteering opportunities and ticketed events.

8.12. Museum staff will have been briefed to explain the need for donations within the context of museums. A Frequently Asked Questions (FAQs) paper – see appendix 1 provides answers to anticipated questions relating to temporary exhibitions.

9. How does the decision contribute to the Council's Corporate Plan?

9.1. These proposals are based on the findings of 'Stronger Exeter', a public consultation exercise described in the Council's Corporate Plan 2014/15 update. The plan recognised that 'in order to meet the challenge over the next three years fundamental changes to the services in Exeter will be needed'. The introduction of exhibition charges is part of the changes necessary to meet the wider financial challenges.

10. What risks are there and how can they be reduced?

10.1. There is likely to be some public concern about the introduction of a charge for a service that was previously free. This will need careful communication and planning within the context of the wider funding challenges facing local government and the precedent established by other museums/galleries charging for similar services elsewhere. The City Council's continuing commitment to cultural investment delivering quality of life benefits for residents, tourists and inward investment should be stressed.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1. There will be no admission charge to the museum and large parts of RAMM will remain free entry (i.e. permanent collections; other temporary exhibitions, cafe etc). Concessionary rates will be offered to holders of the X-card. RAMM will continue to make a positive contribution to these social issues affecting individuals and communities. The donations campaign 'framed' around health and wellbeing will underscore the benefits the museum as a whole (and not just temporary exhibitions) is able to offer to individuals and the wider community.

12. Are there any other options?

12.1. Temporary exhibitions are important drivers of museum visitor numbers which are a key performance indicator for RAMM's funders (City Council; Arts Council, England and other trusts and foundations). These exhibitions are a key component of RAMM's active programme and these proposals will help defray some of their associated costs.

The option to continue a policy of free admission remains open to Members but closes a income generating route which has already been established in other UK towns and cities.

Camilla Hampshire
Museums Manager & Cultural Lead

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
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Appendices 1

FAQ's

Why do I have to pay for this exhibition?

A survey carried out by Exeter City Council showed that people would be prepared to pay for temporary exhibitions at RAMM and that they would prefer this method of charging to an entrance fee for the museum.

I didn't see that survey

The survey, called Stronger Exeter, was carried out by Exeter City Council in autumn 2014. It was in the Express and Echo and was delivered to residencies in the city.

Why does RAMM need donations?

City Council budgets are tight – that's why people were asked for their thoughts about how money should be spent. Additional funding is also very limited so the museum needs to generate some funds through its activities.

I've already paid for RAMM once in my council tax. Why do I have to pay again to see this exhibition?

The money allocated to RAMM through the Council tax pays for the upkeep of the museum and safeguards its collections. We don't have the additional funds to bring exhibitions like this without generating some income from them.

The museum has always been free before. Why are you charging now?

In the past, we've had enough funding through Exeter City Council and other organisations. All the organisations who give us public funding have had their budgets cut, so there is less money available for RAMM. This is why we're looking at other ways to generate funds to keep the museum going and to continue to bring high quality exhibitions such as this to Exeter.

I don't think this is high quality. It wasn't worth paying for. Can I have my money back?

This exhibition is a touring exhibition put together by professional curators. We're not able to give refunds to people who've seen the exhibition, but we're very keen to hear your feedback which we'll take into account in our future planning.

Now that I've paid for this exhibition, where does the money go?

The funds generated by ticketed exhibitions go towards future exhibitions taking place within the museum, for conservation, acquisitions, activities and events.

Why do I have to pay for this exhibition when the rest of the museum is free?

A survey carried out by Exeter City Council showed that people would be prepared to pay for temporary exhibitions at RAMM and that they would prefer this method of charging to an entrance fee for the museum. That's why we're charging for some of our temporary exhibitions.

Will you be charging for all exhibitions in future?

The museum will remain free to enter. We are currently trialling ticketing for temporary exhibitions and we will take a view as to the success of the trial using feedback from visitors and evaluating income generated. It is envisaged that there will be a small number of paid for exhibitions per year with the vast majority of the museum space being free to access

I can't afford £4

We have a concession rate of £2 for people who have an X-card which supports people who are on lower incomes, are unemployed or have disabilities. Full details of the card, including eligibility and other offers and discounts is available at www.exeter.gov.uk/X-card. The card is only available to Exeter residents. We also offer the concession rate to Friends of RAMM. Students with a valid NUS card and children are free.

NB – this list will be updated to respond to visitor queries.