

CULTURE, RECREATION & TOURISM CABINET MEMBER MEETING

Agenda Item 55

Brighton & Hove City Council

Subject: Fees & Charges (Royal Pavilion & Museums)

Date of Meeting: 9 December 2008

Report of: Director of Cultural Services, Scott Marshall

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Key Decision: No

Wards Affected: All

FOR GENERAL RELEASE/ EXEMPTIONS

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To set out the proposed changes to fees and charges for commercial hire and admission charges to assist with business planning. Under the Corporate Fees & Charges Policy, we are required to carry out an annual review in line with policy.
- 1.2 To introduce a recommended donations policy for the non-charging venues within the Royal Pavilion & Museums.

2. RECOMMENDATIONS:

- 2.1 To approve the increases to charges for commercial hire of Royal Pavilion & Museum venues. Appendix A.
- 2.2 To approve minor changes to pricing structure for group rates. Appendix B.
- 2.3 To approve the introduction of a recommended level of voluntary donations in the Museums.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 Commercial Hire

- 3.1.1 The Royal Pavilion & Museums have an income target of £ 259,600 for 2009/10 for commercial hire. Each year prices are amended to take account of inflationary pressures and the commercial competitive market. Proposed revised hire charges for 2009/10 are shown in Appendix A.
- 3.1.2 The commercial hire income target is a departmental critical and is under close Value For Money monitoring. VFM commercial hire targets have been difficult to achieve.
- 3.1.3 The revised sales strategy for commercial hire has included the recent appointment of a sales manager. Prices shown in Appendix A may be subject to revision or negotiation

with clients as part of the drive to increase bookings, these may entail, for example, off season and off peak promotions or special rates for 'early bird' or multiple bookings.

3.2 Changes to pricing structure for Group Rates

- 3.2.1 In September 2007 the former Cultural, Recreation & Tourism committee agreed admission prices for the period 2008-2011 to assist with three year budget planning.
- 3.2.2 Following an assessment of current practice and discussions with other travel trade competitors and possible partners, small amendments to the standard group rates outlined in the September 2007 report are recommended.
- 3.2.3 We propose to (a) adopt the industry norm of a 10% discount to groups and (b) reduce group size for discounts from 20 to 15. This will enable more effective work with partners within the City and further a field who all operate a minimum group size policy of 15. Means joint offers can apply seamlessly across partner organisations.
- 3.2.4 In addition we propose the introduction of a child group rate. Recent data has revealed a drop off in language school visits. The language school market is extremely price sensitive so it is hoped that the establishment of a child group rate will enhance our offer and reverse this trend. Appendix B outlines revised group prices.
- 3.2.5 As Members will see in Appendix B, the amended pricing structure includes odd pence. This is not an issue, as groups pay by invoice or cheque. It should be noted individuals within a group rarely pay the advertised group rate because the group operator charges commission and includes other elements such as coach travel.

3.3 Recommended Donations

- 3.3.1 A recommendation of the VFM exercise undertaken within Cultural Services was to increase income from voluntary donations.
- 3.3.2 Consultation with other comparable regional museums shows that those with a recommended donation amount such as Sir John Soane Museum & The Lowry have a much higher return from donations than those where an amount is not specified.
- 3.3.3 It is therefore suggested recommended donation levels are specified on the Museums donation boxes – Brighton Museum & Art Gallery £2, Hove Museum & Art Gallery £1, Booth Museum of Natural History £1. It is predicted income from donations across these sites could rise from £4,300 pa to £23,000 pa.

4. CONSULTATION:

- 4.1 *Corporate Hire:* Jubilee Library, Hove Centre, Brighton Centre, Lighthouse, Sallis Benny, Historic Royal Palaces
- 4.2 *Group charges:* Consultation with Travel Trade providers – Sealife Centre (Merlin Group), Theatre Royal (Ambassadors Theatre Group), Tourism South East, Leeds Castle, Visit Brighton, I-Experience.
- 4.3 *Recommended Donations:* Consultation with comparable museums - Hampshire Museums Service; Haselmere Museum; Hertford Museum; The Fitzwilliam Museum, Cambridge; The Lowry, Salford; Pit Rivers Museum, Oxford; Oxford University Museums; Sir John Soane Museum, London.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The target income for commercial hire of the Royal Pavilion and Museums in 2008/09 is £266,000 and the service is currently expected to fall short of this target by approx £30,000.

It is hoped that the proposed price increases, coupled with the recent appointment of a sales manager will enable the service to perform better in 2009/10, in line with the value for money review for Cultural Services.

In relation to admission charges, it is to be noted that a three-year programme of increases (for 2008/09 to 2010/11) was approved by the Cultural, Recreation & Tourism Committee in September 2007. In respect of the proposed changes in group rates of admission charges (shown in appendix B), and based on the proportion of child group visitors in 2007/08, the decrease in child group rates by 10% may lose up to £35,000, which would require approx 7,500 more child group visitors or a range of increases in other visitor categories to make good.

Finance Officer Consulted: Anne Silley

Date: 12/11/08

Legal Implications:

- 5.2 The recommendations in this report are considered to be reasonable and there are no adverse legal implications arising

Lawyer Consulted: Bob Bruce

Date:12/11/08

Equalities Implications:

- 5.3 As outlined in the Royal Pavilion & Museums Equalities Impact Assessment of June 2008 a number of concessions are made to ensure that whilst operating in a commercial environment the impact of charges on the six equality strands is minimal. There is considered no negative impact in terms of gender, race, belief or sexual orientation. Concessionary admission charges are available to Senior Citizens and people with a disability.

Concessionary rates also apply to other low-income groups, such as students and registered unemployed. In addition, a charity group rate is offered. There is an annual free day. Resident adults are offered half price admission and resident children don't pay admission. Brighton and Hove schools don't pay admission.

Sustainability Implications:

- 5.4 Many services need to generate income in order to contribute towards the costs of the provision. If Royal Pavilion & Museums are not run and marketed in the same way as comparable visitor attractions, and are unable to generate reasonable amounts of income, the service to the public is placed at risk.

Crime & Disorder Implications:

- 5.5 None

Risk & Opportunity Management Implications:

- 5.6 Failure to increase charges and adopt a recommended donation policy will have an impact on the service's ability to meet income targets and efficiency savings.

Corporate / Citywide Implications:

- 5.7 The Royal Pavilion & Museums play a vital role in the cultural, learning and economic life of the city, and its visitor offer.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Action is required to meet income targets.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 **Corporate Hire.** To meet income targets for 2009/10.
- 7.2 **Group rates.** As expressed in the 2007 report the advance setting improves budget planning and marketing to the Travel Trade. In the high season group visits represent up to 50% of admissions. Many agents make bookings and agree packages with clients 18 months – two years in advance and any unexpected price increases are usually borne within the agent's profit margins. Clear communication and advanced notification of annual price changes is vitally important for good customer relations and means that we can maximise coverage in the industry press, and provide correct information at trade fairs to help secure bookings.
- 7.3 **Recommended Donation.** To contribute to efficiency saving targets for 2009/10.

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix A: Proposed 2009/10 Corporate Hire Rates
2. Appendix B: Proposed Revised Group Rates

Documents in Members' Rooms

- 1.
- 2.

Background Documents

1. Culture, Recreation & Tourism Committee, Admission Charges for the Royal Pavilion & Preston Manor, 12 September 2007

Proposed 2009/10 Corporate Hire Rates

NB. Concessionary rate and BHCC internal hiring 20% discount applies

Venue / Room	2008/9 Rate	Proposed 2009/10 Rate	% increase
Royal Pavilion			
Great Kitchen	£2,100	£2,200	5%
Great Kitchen and Banqueting Room	£3,100	£3,255	5%
Music Room	£2,100	£2,200	5%
Music Room, Banqueting Room and Great Kitchen	£4,250	£4,750	5%
William IV Room			
4 hour booking - corporate	£930	£980	5%
4 hour booking – wedding reception	£930	£1,020	10%
all day rate (8am-6pm)	£1,350	£1,350	0%
Red Drawing Room			
evening hire	£930	£980	5%
all day rate (8am-6pm)	£1,350	£1,350	0%
civil wedding ceremony (high season May-Sept)	£530	£560	6%
civil wedding ceremony (low season Oct-April)	£490	£510	4%
William IV and Red Drawing Room - wedding ceremony and reception package (high season May-Sept)	£1,340	£1,480	10%
William IV and Red Drawing Room - wedding ceremony and reception package (low season Oct-April)	£1,270	£1,430	13%
William IV and Red Drawing Room Day Conference package	£1,600	£1,600	0%
Evening guided tour - charge per person - min charge for 25	£3.95	£4.15	5%
Small Adelaide			
per 2 hour booking	<i>New</i>	£100	<i>New</i>
Gardens (half day)	£680	£700	3%
Preston Manor			
House	£920	£900	0%
Lawns	£1,330	£1,400	5%
Meeting Room - New facility			
4 hour booking	<i>New</i>	£50	<i>New</i>
all day rate (9am-5pm)	<i>New</i>	£100	<i>New</i>
NB. Stewarding for meeting room charged separately			
Brighton Museum & Art Gallery			
Entire Museum	£2,100	£2,200	5%

Ground floor	£1,350	£1,420	5%
Education Pavilion - New Facility			
4 hour booking	<i>New</i>	£65	<i>New</i>
all day rate (9am - 5pm)	<i>New</i>	£130	<i>New</i>
NB. Stewarding for Education Pavilion charged separately			
Seminar Room - New facility			
4 hour booking	<i>New</i>	£45	<i>New</i>
all day rate (9am - 5pm)	<i>New</i>	£90	<i>New</i>
NB. Stewarding for Seminar Room charged separately			
Courthouse lecture theatre			
half day rate / evening lecture	£500	£525	5%
all day rate (8am-6pm)	£950	£1,000	5%

Proposed Revised Group Rates

Charges not previously agreed shown in bold.

	Current	Original Proposed 2009/10	Revised 2009/10	Original Proposed 2010/11	Revised 2010/11
Royal Pavilion					
Adult	£8.50	£9.00	£9.00	£9.50	£9.50
Child	£5.00	£5.20	£5.20	£5.40	£5.40
Concession	£6.50	£7.00	£7.00	£7.50	£7.50
Adult Groups	£7.50	£8.00	£8.10	£8.50	£8.55
Child Groups	N/A	N/A	£4.68	N/A	£4.86
Concession Groups	£6.00	£6.50	£6.30	£7.00	£6.75
B&H Schools	Free	Free	Free	Free	Free
Resident Adult	£4.25	£4.50	£4.50	£4.75	£4.75
Resident Child	Free	Free	Free	Free	Free
Preston Manor					
Adult	£4.50	£4.70	£4.70	£5.00	£5.00
Child	£2.50	£2.70	£2.50	£3.00	£3.00
Concession	£3.50	£3.70	£3.70	£4.00	£4.00
Adult Groups	£4.00	£4.20	£4.23	£4.50	£4.50
Child Groups	N/A	N/A	£2.25	N/A	£2.70
Concession Groups	£3.00	£3.20	£3.33	£3.50	£3.60
B&H Schools	Free	Free	Free	Free	Free
Resident Adult	£2.25	£2.35	£2.35	£2.50	£2.50
Resident Child	Free	Free	Free	Free	Free

