

Subject:	Investment in Rossendale Museum	Status:	For Publication
Report to:	Cabinet	Date:	11 th February 2015
Report of:	Health, Housing and Regeneration Manager	Portfolio Holder:	Regeneration, Tourism and Leisure
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Community Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	Members note the contents of this report regarding the success of the Whitaker.
1.2	That Members approve a budget of £45,000 to undertake repairs and improvements to the Museum premises.
1.3	All future negotiations and minor amendments to be delegated to the Director of Business in consultation with the Portfolio Holder.

2. PURPOSE OF REPORT

- 2.1 To update Members on the progress and achievements made by the operators of Rossendale Museum (The Whitaker) and to request an investment of £45,000 to undertake repairs and improvements to the Museum building.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:

Priority 1: Regenerating Rossendale: This priority focuses on regeneration in its broadest sense, so it means supporting communities that get on well together, attracting investment, promoting Rossendale, as well as working as an enabler to promote the physical regeneration of Rossendale.

Priority 2: Responsive Value for Money Services: This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below.
- Indemnity and liability as it applies to members of the Company is covered in sections 25 and 26 of the Articles of Association.
 - Ensure Articles of Association reflect the up to date company position.

5. BACKGROUND AND OPTIONS

- 5.1 During 2012 the Council began a process of identifying options to reduce the annual management and operational costs for Rossendale Museum. Extensive consultation was carried out and a call for expressions of interest was issued in November 2012.

- 5.2 The See Gallery, now known as the Whitaker Organisation, were one of the responders to this exercise and were selected as the 'preferred partner' and have been the operators and managers of the Museum since March 2013.
- 5.3 Since that time the Council has supported the operation via a grant of £60,000 per annum which was an annual reduction of £50,000 from the previous arrangements with Lancashire County Council. In addition, the Whitaker Organisation themselves have made significant investment themselves both in the capital investment in the café and time and effort in transforming the museum into a very popular visitor attraction.
- 5.4 This has resulted in a 96% increase in visitor numbers which was reported via Lancashire County Council's Museums report (extract below):-

Table 2, Visitor Numbers, Lancashire Museums Service - current and former

Museum / Archive	Authority	2009/10	2010/11	2011/12	2012/13	2013/14	% change 2011/12-2012/13
Clitheroe Castle Museum	Ribble Valley	36,383	50,506	58,591	69,271	69,133	-0.2
Fleetwood Museum	Wyre	13,105	14,414	14,495	14,451	14,138	-2.2
Gawthorpe Hall	Burnley	22,531	26,431	25,046	26,115	25,367	-2.9
Helmshore Mills Textile Museum	Rossendale	15,531	18,009	20,384	20,066	21,581	7.6
Judges' Lodgings	Lancaster	10,831	11,647	11,143	11,476	12,565	9.5
Lancashire Conservation Studios	Preston	0	3,370	2,451	2,972	3,834	29.0
Lancaster Castle	Lancaster	37,797	43,997	48,700	56,060	45,488	-18.9
Lancaster City Museum	Lancaster	49,383	53,311	53,978	51,474	61,062	18.6
Lancaster Maritime Museum	Lancaster	15,997	17,539	17,037	15,870	13,825	-12.9
Museum of Lancashire	Preston	10,642	502	14,270	34,668	36,383	4.9
Queen St Mill Textile Museum	Burnley	6,738	8,350	8,775	9,910	11,365	14.7
Rossendale Museum / The Whitaker Museum*	Rossendale	10,123	10,290	11,516	11,230	22,111	96.9
The Cottage Museum	Lancaster	4,206	3,943	2,445	2,396	5,670	136.6
Total	----	233,267	262,309	288,831	325,959	320,411	-1.7%

- 5.5 The Whitaker Organisation has established a Board which includes the Chief Executive and Portfolio Member as Board Members to oversee and discuss the direction of travel and development of the venue. Formal application has been sent to the Arts Council to fund the development of a Charitable Arm, this is to increase both the ability to claim wider grants and expand Community involvement. The decision is expected on 18th February.
- 5.6 The Whitaker continues to have high visitor numbers maintained and the general profile of the Whitaker Organisation and the Museum continues to grow. Some highlights generated from the Whitaker business:
- Formal Museum Accreditation on 4th December 2014 lasting 3 years
 - Fully employed 5 FTE staff, 2 Part Time staff, 7 Casual Staff - All live in Rossendale, have been or are being trained in a number of areas
 - 9 weekly Volunteers (Admin, Archivists, Education, Artists and IT) 10 Casual

Volunteers for Event support

- Tourism + Heritage Business of the Year 2014, several short listings and apparently received the most 'actual nominations' across a number of the different awards
- Appeared over 30 times in the last 12 Months in the Free Press
- 40% increase in the usage of the Educational Room by Community Groups and Associations.
- A Quaker Artist who visits regularly donated a Sculpture worth £5.5k because of the ethos of the Museum and interaction with individuals and the Community
- Developing more Diverse audiences, including the current 'New Moons' exhibition about East Asian Communities across Rossendale, there has been a marked increase of visitors from Minority Communities in 2014.
- From January 2015 they have 3 formal Education sessions being offered to Schools across Lancashire and Greater Manchester which hasn't occurred for over 2 years.
- Have gained a Full Wedding Licence 2014/2017 which should begin to enhance income from March 2015 onwards.
- Regular Duke of Edinburgh and 6th Form placements.
- The development of regularly changing exhibitions of art, heritage and culture that is of a high quality.

5.7 Initial investment by the Whitaker Organisation in the changes to the two reception areas have proven that the demand is there and that they are delivering what visitors want. Individual spend has moved from in the region of £0.20 per person to £5.00 per person. This commercial area has proved the most successful in establishing a local repeat visitor base as well as a reputation for an interesting destination and visit from people travelling into the area.

5.8 What is now apparent is that for the venue to improve its sustainability and reduce its reliance on council subsidy in the future; investment needs to be made in the building and facilities to improve its capacity to cater for the requests now coming forward (larger wedding parties, corporate events etc). The current working arrangements are just about managing to cope with demand but this is very much working on good will and vast amounts of creativity from the Whitaker Organisation. The Whitaker Group are having to turn down lucrative requests as the infrastructure, fixtures and facilities, cannot support the increased numbers.

5.9 The total investment being proposed to be made in the building and facilities is £55,000 and the Whitaker Organisation are requesting that the Council invests £45,000 in the Council owned building to enable : redecoration, repair and replastering, relocation of the current kitchen, gas and electrical works and refitting of the current café areas.

5.10 The proposed investment seeks to stabilise the current position and improve the catering capacity of the building which will enable the Group to develop an early evening offer and larger scale buffets and events. This will result in:-

- Increased seating capacity from 34 up to 52.
- Projected spend £5.00 per person to £10.00 (based on both numbers and increased menu pricing (formula used from Association of Independent Museums 'Cafe and Business' 2013)
- The expanded capacity from the kitchen will enable a 30% increase in larger event bookings
- It will also enable a wider choice and increase in income from external events

2015/16, 2016/17, 2017/18

Using the projected increase from 2013/14 and the potential of the increased capacity it is estimated that income to the venue will increase by £50k by 2016/17 accounting period.

- 5.11 The Council maintains ownership of both the Museum and the Rossendale Collection which is housed therein. The Whitaker Organisation occupies, manages and operates the museum by way of a Licence and discussions are in hand to move towards a lease agreement in the future.
- 5.12 The funding can be provided from earmarked reserves within the Housing, Health & Regeneration budget.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 The Council currently supports the Whitaker Organisation with an annual grant of £60k together with directly paying utility, equipment and building maintenance at an annual cost of c £12k. Part of the rationale for the capital investment is to reduce the annual revenue dependency on the Council – albeit this value has not as yet been quantified nor agreed with the Whitaker Organisation.
- 6.2 As noted in the report funding will come from earmarked reserves.

7. MONITORING OFFICER

- 7.1 The Whitaker Organisation occupies the Museum under a licence and in due course we will move this arrangement to a lease.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 Consultation with the Chief Executive, Leader of the Council, Director of Business, Portfolio Holder.
- 8.2 Continues support / involvement in Regenerate Pennine Lancashire which is key to the Council's 'Regenerating Rossendale' priority to be realised.
- 8.3 No specific equality groups are targeted with this proposed decision and it does not propose any budget changes to services for specific equality groups. Therefore this report/decision has not been assessed for an equality impact. However, there will be a wider community benefit as a result of supporting this regeneration project.

9. CONCLUSION

- 9.1 The Whitaker is one of Rossendale's success stories. The partnership with the Whitaker Organisation is proving fruitful both in achieving much needed annual savings and in supporting the council's regeneration ambitions by raising the profile of Rossendale and adding value to the visitor economy.
- 9.2 The investment now proposed will build on this success and provide the basis for the venue to improve its offer over the coming years.