

Subject:	Royal Pavilion & Museums Fees and Charges	
Date of Meeting:	22 November 2018	
Report of:	Executive Director, Economy, Environment & Culture	
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Wards affected:	All	

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to seek approval for fees and charges for the Council's Royal Pavilion & Museum's (RPM's) services for 2019/20 and where applicable 2020/21. The approval of the fees and charges related to admissions two years in advance has been normal practice for the service, owing to booking horizons.
- 1.2 The council's Corporate Fees and Charges Policy requires that all fees and charges are reviewed at least annually and should normally be increased by either the corporate rate of inflation or actual increases in the costs of providing the service. The budget update report approved by Policy, Resources & Growth Committee in July 2018 specified the assumed corporate rate of inflation to be applied to fees and charges income targets of 2.0% with the exception of parking Penalty Charge Notices. The corporate rate of inflation is applied to ensure that income is maintained in proportion to expenditure where annual inflationary cost pressures are experienced. The council's Standard Financial Procedures state that service committees shall receive a report from Executive Directors on proposed fees and charges variations above or below the corporately applied rate of inflation.
- 1.3 If the recommended fees and charges in this report are not agreed, or if the committee wishes to amend the recommendations, then the item will normally need to be referred to the Policy, Resources & Growth Committee meeting in February 2019 to be considered as part of the overall budget proposals. This is because the budget is being developed on the assumption that the fees and charges are agreed as recommended, and any failure to agree, or a proposal to agree different fees and charges, will have an impact on the overall budget, which means it will normally need to be dealt with by Policy, Resources & Growth Committee as per the requirements of the constitution. This does not prohibit the service committee from making alternative recommendations to Policy, Resources & Growth Committee.
- 1.4 Note that any delay in agreement to the changes, would result in an inability to confirm pre-booking prices to groups and travel trade and a consequent loss of income and business.

2. RECOMMENDATIONS:

- 2.1 That the Committee approves the fees and charges for Admissions for 2019-21 set out in Appendix A to bring RPM in line with competitors and provide opportunities to maximise future income growth for the service.
- 2.2 That the Committee approves the fees and charges for Room Hire set out in Appendix B.
- 2.3 That the Committee approves the fees and charges for Photography & Reproduction set out in Appendix C.
- 2.4 That the Committee approves fees and charges for Schools, Guiding and Bookings for 2019/20 in set out in Appendix D.

3. CONTEXT / BACKGROUND INFORMATION

- 3.1 The fees and charges proposed in the attached appendices have been calculated to reflect the requirement to achieve an overall 2% increase in the income budgets. Pricing is set in line with competitor benchmarking.
- 3.2 In some cases, the fees and charges proposed have been rounded for ease of administration and payments, therefore where the corporate inflation rate of 2% is appropriate, the actual percentage increase is often not exactly 2%. Where a percentage increase above inflation is proposed an explanation is given below. The charges will increase from 1 April.
- 3.3 A Policy, Resources and Growth report of 11 October 2018 recommend; *following a period of service improvement, the Royal Pavilion and Museums service should be transferred to a charitable trust whose sole purpose is to deliver the council's museums and heritage services.* At the point the Museum moves into a new entity, the setting of fees and charges will become the responsibility of the new entity.
- 3.4 An Independent Options Appraisal undertaken during the summer of 2018 found that:

If RPM is able to freely set and adjust the nature and prices of the goods and services it provides it could potentially generate significantly more revenue. Previous reports have estimated, for example, that admissions income could grow by around 10%, or £300,000, as a result. Freedom to adjust other fees and hire charges should also have a beneficial impact. The ability to adjust prices does not require a change of governance to Charitable Trust but would require the RPM to be given considerably more delegated power, with freedom to set and alter pricing to suit business need. The extent to which the Council is prepared to relinquish control of fees and charges, under either scenario, needs to be determined as part of planning RPM's next steps.

- 3.5 During the summer of 2019/20 the Royal Pavilion will benefit from a prestigious loan of a number of key objects commission by George as Prince Regent and King for the Royal Pavilion. Approximately 150 items will be returning for a period of approximately 3 years, the majority of these are currently in private rooms at

Buckingham Palace. Significant media attention has already been generated since the announcement on 5 October. The Royal Collection will work in partnership with the RPM service to promote the opportunity to see these objects 'on tour' in Brighton. As a result we expect significant national and international interest and a beneficial impact on visitor numbers. Pricing proposals reflect the value of this enhanced offer.

3.2 ADMISSIONS CHARGES

- 3.2.1 Admission charges are applied at three of the BHCC's Royal Pavilion & Museum venues; the Royal Pavilion, Preston Manor and Brighton Museum. Admission charges were agreed in November 2016 for 2017/18 & 2018/19. Due to booking timescales, marketing and pricing strategies for groups and travel trade, admissions pricing must be planned a year to 18 months in advance.
- 3.2.2 Income from admissions represents 44% of the RPM's operational budget. The overall admission income targets for the Royal Pavilion & Museums will rise from £3,014,370 in the current financial year to £3,074,657 in 2019/20, an inflationary uplift of £60,287. In addition for 2018/19 there is currently a predicted in-year pressure of £69,000 on admissions income due to lower than projected visitor numbers. The proposals in this report are designed to meet the total requirement of £129,287,
- 3.3.3 Visitor trends are consistently monitored and gathered through inbound tourism figures, Visit England attraction monitor reports and discussions with other museums and attractions in the sector both regionally and nationally. Visitor figures for the Royal Pavilion & Museums are influenced by a wide range of factors. The weather is perhaps the single biggest factor, with holiday makers and day trippers preferring to spend the day on the beach if the weather is fine. 44% of all visitors come from overseas, meaning that world events (including the fluctuating strength of the pound) can have a significant impact.
- 3.2.4 Visitor projections at the Royal Pavilion for the current year are lower than anticipated at 300,000 rather than 310,000. A number of factors are contributing; the long hot summer has impacted on indoor attraction figures across the UK, the latest in-bound tourism figures indicate visits are 5% down in the region on last year, finally the on-going weekend rail closures over a period of 9 months is expected to depress visits further. Although visits from overseas are down, the weaker pound is resulting in an increase in average overseas visitor spend.
- 3.2.5 **Travel Trade and group bookings** in 2017/18 made up 39% of Royal Pavilion business, and 26% of visits to RPM overall. We are already contracting with third party resellers, national and international travel trade companies and on-line sellers such as Visit Britain, to sell slots for 2019/20
- 3.2.6 Groups & travel trade organisers base visit choices on profit margins available through the on-selling of admissions. A review of travel trade and group pricing in 2017/18 highlighted that discounts offered at the Royal Pavilion to groups and travel trade were much lower than those offered by comparator attractions. Business in this area, which is a significant market for the Pavilion, has declined by 7% during the first 6 months of 2018/19, suggesting we are becoming less competitive.

The new proposed prices for the Royal Pavilion Admissions in Appendix A will allow for greater flexibility and discounting of group rates without impacting on overall income received. This will create a more attractive deal for third party sellers and should therefore increase throughput.

- 3.3.7 The charging practices of comparable visitor attractions are also kept under review as below. Royal Pavilion comparators are other Historic houses/castles from Visit England's top attractions monitor plus leading attractions in 45 minute drive time. Preston Manor comparators are historic houses/castles of similar scale within 45 minute drive time. Brighton Museum comparators are other charging local authority or former local authority museums and museums within a 45 min drive time: -

Comparator Prices 2018/19			
	CHILD	ADULT	CONCESSION
Royal Pavilion 18/19	£7.50	£13.50	£11.50
<i>Royal Pavilion Proposed 19/20 (Non B&H resident)</i>	£9.00	£15.00	N/A
Arundel Castle	£11.00	£22.00	£19.50
BA i360	£8.25	£16.50	£14.50
Buckingham Palace (State Rooms)	£13.50	£24.00	£22.00
Hampton Court Palace & Gardens	£11.35	£22.70	£18.10
Leeds Castle	£17.50	£25.50	£22.50
Petworth House & Park	£6.75	£13.50	N/A
Sea Life Centre	£19.50	£19.50	N/A
The Roman Baths, Bath	£10.25	£16.50	£14.50
Waddesdon Manor & Gardens	£11.00	£22.00	N/A
Warwick Castle (Castle only)	£15.00	£15.00	N/A
Windsor Castle	£12.30	£21.20	£19.20
Preston Manor 18/19	£3.80	£6.80	£5.70
<i>Preston Manor proposed 19/20 (Non B&H resident)</i>	£4.00	£7.00	N/A
Anne of Cleves House	£3.50	£6.10	£5.80
Charleston (House and garden)	£7.25	£14.50	£12.50
Michelham Priory	£4.90	£9.80	£8.80
Parham Park (House and garden)	£6.00	£11.00	£10.00
Brighton Museum 18/19	£3.00	£5.20	£4.20
<i>Brighton Museum proposed 19/20 (Non B&H resident)</i>	£3.50	£6.00	N/A
Brighton Toy and model Museum	£4.00	£6.50	£5.50
Ditchling Museum	Free	£6.50	£5.50
Lewes Castle Museum	£4.30	£8.00	£7.20
Hastings Jerwood	Free	£8.00	£7.00
Seaford Museum	£1.50	£2.50	£2.00
Newhaven Fort	£5.25	£7.95	£6.25
Norwich Castle	£8.10	£9.50	£9.00
Bath Museum & Assembly Rooms	£7.00	£9.00	£8.00
York Museum	Free	£10.00	N/A

- 3.2.8 Proposed admission prices across the RPM have been informed by current and forecast audience numbers and trends at each site, current uncertainty in the market especially with unknown impact of Brexit on tourist visits, comparable attraction pricing, known programmed activity for these years. The prices are proposed in order to ensure that the Royal Pavilion & Museums achieves admission income targets and its visitor number targets: Royal Pavilion 310,000 visits, Brighton Museum 90,000 visits & Preston Manor 17,000 visits. The above inflationary increase in charges will ensure that

Summary of Proposals

In summary the following proposals are included in Appendix A

- Across all sites the maximum age for Child rate will be raised from 15 to 18 to reflect the increase in the age of fulltime education. Admission for under 5s continues to be free. A significant element of the RPM group market falls into the 16-18 age category so it is hoped this will stimulate growth in this area further. Over 18s will pay full adult admission price. The net reduction in income from 16-18 year olds will be an estimated £60,000 but it is anticipated as stated above this will stimulate additional business from groups.

NB. Resident Children continue enjoy free admission across all sites and all students over 18 attending Universities or Colleges in the City are eligible for admission at B&H resident rate (half adult admission price at the Royal Pavilion & Preston Manor and free in Brighton Museum).

- Across all sites standard concession rates for Senior's will be removed. Seasonal/mid week promotions such as 2 for 1's, will be applied instead to encourage these visitors at times when the buildings are at low capacity. This is in line with strategy adopted by an increasing number of Museums and Visitor Attractions reflecting the increased relative wealth of this baby boomer generation. The net increase in income from removing Concession rate as opposed to keeping it and increasing it in line with other changes is an estimated additional £50,800.

NB. All Senior residents in the City continue to be eligible, as now, for admission at B&H resident rate (half adult admission price at the Royal Pavilion & Preston Manor and free in Brighton Museum).

- At the Royal Pavilion, Adult charges increase by £1.50, 15% from £13.50 to £15.00 with all other prices rising in line with this. This will reflect the increased value of the visit with the return of a large number of objects to the Royal Pavilion from Her Majesty the Queen in summer 2019/20 provide greater potential for discounting by groups and travel trade to stimulate growth in this market

Anticipated impact will be an income increase £65,000 on top of the increase that would be expected if the standard 2% were applied across all prices.

N.B All B&H resident adults continue to be eligible, as now for admission at B&H resident rate (half adult admission price at the Royal Pavilion & Preston Manor and free in Brighton Museum).

- At Preston Manor standard prices will increase broadly in line with inflation.
- At Brighton Museum where prices have been held since 2015/16 Adult prices will increase by 80p, 15% from £5.20 to £6.00 with all other prices rising in line with this. All City residents will continue to enjoy free admission to Brighton Museum, and a free day is held for all visitors on a monthly basis targeted at bringing in new and hard to reach audiences. The proposed price increase reflects the change that would have been made had inflationary increase been applied, and will allow RPM to capitalise on the tourist and day visitor market which are attracted by the exhibitions programmes at Brighton Museum.

The anticipated impact will be an income increase £36,500 on top of the increase that would be expected if the standard 2% were applied across all prices.

3.3 CORPORATE HIRES & WEDDINGS

- 3.3.1 Corporate and private hire fees are detailed in Appendix B and are broadly inflationary with prices being rounded.
- 3.3.2 Above inflationary price rises have been applied to:
 - The hire of Brighton Museum and the Adelaide Tearoom where staffing cover, set up costs and conservation and security needs have been reassessed and prices adjusted to recover these costs
 - The use of Preston Manor for weddings where staffing, setup and licensing costs have been reassessed and prices adjusted to cover these costs
 - Meeting Room hires at Preston Manor and Brighton Museum where charges were felt to be below market rate and did not reflect true administrative and charging costs.

These increases are therefore in line with the Council's Corporate Fees and Charges Policy reflecting increases in the costs of providing the service.

3.4 IMAGE REPRODUCTION

- 3.4.1 The income target for image reproduction services is just £2,500. The RPM service has removed many of its charges for non-commercial use of its images by adopting open licensing. We are using a BY-SA licence as a regular standard form of licence, along with many European museums.
- 3.4.2 All image reproduction fees will remain at 2017/18 prices as shown in Appendix C.

3.5 SERVICES TO SCHOOLS, GUIDING & BOOKING FEES

- 3.5.1 The majority of price increases proposed for schools services and guiding are in line with corporate inflationary increases, with prices rounded for ease of administration. The exception is the lunch room charges for schools which has been increased to reflect the true staff cost of set up, supervision and cleaning of the lunch room.

- 3.5.2 Corporate Guiding charges (fees associated with guided tours at corporate functions and private events), have also been increased by above the inflationary amount to capitalise on market demand.
- 3.5.2 Telephone booking fees are charged per transaction rather than individual ticket. Fees for purchases have remained at a static £1.50 since first introduced in 2010. It is proposed to increase them to £1.70 per transaction. A 50p increase is proposed for bookings for groups of 15 or over, bringing the charge to £4.50 per group booking.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The rationale for the proposed increases in the fees and charges are indicated in the body of the report. The service works to balance the need to generate income to ensure its future resilience against the need to maintain access.

Pricing strategies are considered within the context of RPM's Audience Development and Engagement Plan 2018-22 which sets out how the service will

- Maintain existing audiences, deepen engagement at each of our sites and develop new audiences
- Ensure we reflect the full diversity of Brighton & Hove in our regular audiences
- Engage with new audiences from communities which are either under-represented in its visitor profile or who are socially excluded.
- Drive up audience satisfaction at each of our sites to encourage repeat business
- Increase commercial viability of the service through developing audiences for commercial usage
- Fill in gaps in our knowledge

5 COMMUNITY ENGAGEMENT & CONSULTATION

Comparator pricing has been assessed as follows

- 5.1 *Admission charges:* i360, Sealife Centre, Leeds Castle, Historic Royal Palaces; Petworth House, Arundel Castle, Roman Baths, Waddesdon manor & Gardens, Warwick Castle; Charleston; Firle Place; Michelham Priory, Sussex Museums Group, Sussex Past, York Museums Trust; Norfolk Museums, Bath & North East Somerset Council
- 5.2 *Admission charges:* on-going user surveys of customers. 3% all visitors surveyed across all sites April – September 2016 (8,700 surveys).
- 5.3 *Corporate Hire:* Extensive benchmarking exercise carried out in 2014/15 and updated annually.
- 5.4 *Image Reproduction:* Europeana, V&A, National Gallery, Science Museum, Ashmolean Museum and Museum of London.
- 5.5 *Schools, Guiding & Booking Fees:* Brighton Dome & Festival, Sussex Past, Hampshire Museums Trust, Wealden Downland.

6. CONCLUSION

- 6.1 The proposed fees and charges across the four service areas are considered proportionate and reasonable. Where charges are proposed for increases above inflation there are sound business reasons as set out above.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The fees and charges recommended in this report have been reviewed in line with the Corporate Fees and Charges Policy, and budget assumptions approved by Policy, Resources and Growth Committee in July 2018. This is to ensure that fees and charges are appropriately benchmarked to comparative services and recover the full cost of service wherever possible. The anticipated recurring financial impacts of fee changes will be reflected within service revenue budgets. Where changes differ from the standard inflationary increase of 2% applied to all council income budgets, further explanation has been given in the body of this report. Income from fees and charges will be reviewed as part of the budget monitoring process.

Finance Officer Consulted: Gemma Jackson

Date: 24/10/18

Legal Implications:

- 7.2 Under Section 13 of the Public Libraries and Museums Act 1964 a local authority may charge for admission to a museum or an art gallery maintained by it. The local authority shall take into account the need to secure that the museum or gallery plays its full part in the promotion of education of area, and shall have particular regard to the interest of children and students.

Lawyer Consulted: Alice Rowland

Date: 13/11/18

Equalities Implications:

- 7.3 When fees and charges are proposed, a balance needs to be found to ensure services remain financially sustainable whilst still providing value for money. The proposed fees and charges are headline prices but the pricing RPM provides promotional offers and a range of flexible pricing to minimise price being a barrier to participation.

A charity group rate is offered. Resident adults are offered half price admission at Preston Manor and the Royal Pavilion and free admission at Brighton Museum. All resident children enjoy free admission at all sites. Brighton and Hove schools don't pay admission. Brighton & Hove young people and children in care also gain free admission whether resident in Brighton & Hove or not through the Children & Young People's Trust Listen Up scheme. All students of the City's universities or higher education colleges are eligible for admission at Resident rate regardless of whether their residence is within the City. The Royal Pavilion has an Annual free day and Brighton Museum hosts monthly free community days.

Sustainability Implications:

- 7.4 In order to assist with the long-term sustainability of services and to continue providing a quality service, it is necessary that the charges be set at an appropriate level.

Health & Wellbeing Implications:

- 7.5 The proposals in this report support the Council's priorities for Health & Wellbeing by extending the discounted child rate, to 16-18 year olds, meaning more young people will access the RPM's services. This will have a beneficial effect on their wellbeing. All residents under 19 years of age will enjoy free access to all of the RPM venues. The pricing proposals have been designed to balance the needs of the service to meet its income targets and the imperative to attract and engage residents and visitors in cultural activities which are beneficial to increasing enjoyment, improving education and building stronger communities.

Any other Implications:

- 7.6 None

SUPPORTING DOCUMENTATION

Appendices:

1. Appendices A-D RPM Fees & Charges 19/20

Documents in Members' Rooms

1. None

Background Documents

1. Royal Pavilion & Museums Service Future Options, Policy Resources & Growth Committee 11 October 2018.

