



Executive Member for Culture, Leisure & Tourism

29 July, 2015

Report of the Director of Communities and Neighbourhoods

York Museums Trust Funding**Summary**

1. This report proposes changes to charging for York residents at the city's museums and gallery.

Recommendations

2. The report asks the Executive Member to:
 - Note York Museums Trust's charging plans designed to ensure their long-term sustainability
 - Agree to give permission to the trust, under the terms of the leases for the Art Gallery and Castle Museum, to introduce new arrangements for charging York residents

Reason: To ensure a vibrant and sustainable museums service over the long-term.

Background

3. In 2002 City of York Council entered into a partnership agreement with the newly constituted York Museums Trust (YMT) in order to ensure the long-term stability and prosperity of the City's museums and collections. The background to the decision was a sharp decline in museum visits and a pressing need for investment in the museums. YMT has been highly successful. Its key achievements have been in the following areas:
 - a. **Visitor numbers:** Visitor numbers have risen from 387,000 in the first full year of operation to 656,000 in 2011/12.
 - b. **Delivering new income streams:** YMT has increased the diversity of their income streams and their overall income. In 2002 the Council's grant accounted for over 50% of YMT's income; in 2015 it has reduced to less than 10% of income

with admission charges, Arts Council *Major Partners Museum* funding, and other trading income making up the remainder.

- c. **Developing new exhibitions and interpretive service:** There is now an excellent programme of activities at all the sites managed by the Trust. Partnerships with the Arts Council: England, The Tate and the British Museum have not only brought the best of national collections to York but have also shown York's collections regionally and nationally. The Trust's Learning support team have won awards for their interpretation and informal learning programme. The Trust contributes to many wider city initiatives such as the York Mystery Plays.
- d. **Upgrade the building assets:** YMT has so far raised approximately £16m which it has invested in the Council's buildings, gardens, public programmes and collections.
- e. **Increase use and involvement by residents:** There were 5,000 visits from York school children from over 50 state and independent sector schools last year. The volunteer programme has over 400 active volunteers at any one time, and working with the H.E. sector the trust hosts over 20 student placements annually. They have an active inclusivity programme supported by the Joseph Rowntree Foundation, Arts Council: England and Renaissance in the Regions.
- f. **Achieve high visitor satisfaction:** The Trust has successfully retained the Visitor Quality Assurance standard and their own visitor survey show that visitor satisfaction is consistently above 96% with an average 98% of visitors willing to recommend the visit to others.
- g. **Ensure the cataloguing of the collections:** The agreed programme of retrospective documentation is on target. The Trust team has also developed an acquisitions programme to reflect the history, science and culture of the city and region.

4. Funds raised have been used to:

- Complete a major refurbishment of the York Art Gallery, to reopen on 1 August, increasing exhibition space by 60%, with a mezzanine gallery and new upper south gallery which will house the new Centre of Ceramic Art

- New gardens are being created that will connect the historic Museum Gardens with the area behind York Art Gallery. Two of the garden areas open to the public in time for the opening of the gallery.
 - Undertake a major development at the Castle Museum, using film and voice to tell the stories of the Debtors prison, and bringing the social history remit of the museum up to date through the 1960s exhibition. Kirkgate has also been refreshed with new interpretation including sound and light. Better learning spaces have been provided and, for the first time, a visitor lift. The first exhibition held in these new spaces was the successful *1914: When the World Changed Forever*
 - Create a vibrant museums education provision with 3 new learning posts
 - Tackle the problems in collections management through a new Directorate of Collections
 - Strengthen the curatorial team with new posts in archaeology and natural history
 - Refurbish the Yorkshire Museum through a £2.2m project to redisplay the museums collections. A specially commissioned History of York Video is now available to all visitors in the Tempest Anderson Hall
 - Invest in the Yorkshire Museum Gardens improving the planting and labelling in order to restore the botanical garden and open it up more sustainable and flexible use
 - Develop a new contemporary art venue in the city at York St Mary's showcasing the best of international contemporary artists and developing a programme of events to support major festivals in the city.
 - Achieve accreditation for all of YMT museums, an important mark of quality within the sector
5. YMT continues to develop robust and exciting plans for the continued development of the city's museums and gallery; however, it faces significant financial challenges. The Council's annual grant has reduced from £1.5m in 2012/13 to £600k in 2015/16, a 60% cut. In response to these reductions YMT has made significant efficiency savings including reducing the number of senior managers and curatorial staff.

6. It is expected that the Council will need to make further significant staged reductions in the grant in the years up to 2019/20. YMT also faces the possibility that national income streams for the arts could be reduced or reallocated elsewhere. Recognising these pressures YMT is willing to accept the challenge of operating as a self-sustaining commercial organisation, adapting their business model and seeking new ways to create funds so that the museums can continue to be a key part of York's cultural offer. In part this will be through continued capital investment in the museums and the Council has assisted in this by making £1m of capital available across 2014-16 to invest in schemes that will generate new revenue streams. Freedom to set pricing will also be a central component of the required approach to ensure that it remains economically viable and, over time, more self-sufficient.
7. YMT has now approached the Council seeking permission to introduce a new scheme of entry charges to the museums and Art Gallery for YorkCard holders. They need the Council's permission to do this, in respect of the Art Gallery and Castle Museum, because the leases for those buildings require them to give free entry to York residents for everything other than special exhibitions, except where the Council gives them written permission to do otherwise. In practice the Council has not required YMT to give free access to York residents, but rather asked them to give free access to residents who have bought a YorkCard. The new proposal would be to give discounted rather than free access.
8. YMT believes that the re-opening of York Art Gallery, which coincides with the launch of a new YMT Card, is the best time to make the change and that the ability to charge residents for entry to the newly re-opened Art Gallery is critical to their business plan.
9. Key aspects of YMT's proposed approach include introducing:
 - An admission charge for York residents at all YMT sites
 - A £7.50 admission charge at York Art Gallery when it re-opens on 1 August (previously free for visitors as well as YorkCard holders)
 - A new membership scheme (the YMT Card) offering 12 months entry to all YMT sites, as well as other benefits / discounts at the cafés and shops, costing £17 for a YorkCard holder and £22 for a non-YorkCard holder
 - Up to 50% off day tickets and 50% off the YMT Card for 17-24 year olds and those on Universal Credit, Pensions Credit, Jobseekers

Allowance, Employment and Support Allowance and Income Support. This means that for those who qualify for this discount and who also have a YorkCard, the YMT card will cost just £6 (or £5 if paid by direct debit)

10. The 12 month YMT Card will offer great value for money meaning that a York resident with a YorkCard can purchase a YMT Card for £17 (compared to a standard price of £22) and visit all exhibitions and events across the Council's museums for 12 months.
11. All York Cards bought before 1 August would remain valid, continuing to give the advertised benefits for their 12 month period (these don't include the Art Gallery). Explore York, who manage the YorkCard scheme on behalf of the Council will continue to refresh the YorkCard offer so that it remains attractive to residents with a range of benefits on offer.

Options

12. Options open to the Executive Member include:
 - a) To agree to YMT's request
 - b) To agree to the request but with conditions
 - c) To continue to insist on free access for YorkCard holders

Analysis

13. Option a): This option would bring York Museums Trust in line with other venues included on YorkCard, such as the swimming pools, which offer discounted entry rather than free entry. For YorkCard holders this means that all YorkCards bought after 1 August 2015 would offer a £5 discount on the purchase of the 12 month YMT Card.
14. Option b): If this option were pursued YMT has indicated in discussion with the Executive Member that potential concessions they could make to YorkCard holders would include:
 - Kids Go Free, allowing free access for children under 16
 - Continued free access for York residents during the Residents Festival and on one further day to be specified
15. The issue of discounted single entry for YorkCard holders has also been raised with YMT by the Executive Member. YMT have indicated that they do not view this as practicable.

16. If this option were pursued, since some free access would be maintained, it could be achieved through a simple letter of clarification from the Council; no formal decision to vary the leases would be required.
17. Option c): If the Council were to insist on continued free access for YorkCard holders this would have significant financial implications for the Council. YMT have constructed their overall business plan, in response to the previous reduction in their grant, based on their understanding, at the time the cut was made, that the Council would end free entry for York residents before the Art Gallery re-opens. If the Council is not willing to do this, YMT report that they will lose anticipated annual revenue upward of £400k once gift-aid is factored in. The Council would therefore face the prospect of having to find additional funding to keep the museums open.
18. On the basis of YMT's estimate it would mean that the cost to the Council of maintaining free entry for YorkCard holders in future years would potentially be as much as £700k p.a. when compared to the potential reduced grant that could be envisaged. This cannot be recommended in light of the Council's future budget position. It should be noted that, should YMT not be able to continue to operate the museums and gallery its staff and obligations would revert to the Council, creating a potential multi-million pound liability.
19. If YMT is not able to charge at the Art Gallery and Castle Museum it could place greater pressure on them to generate revenue from the Yorkshire Museum and Gardens. There are no restrictions that would prevent them for introducing entry charges to either of these venues.
20. Option c) cannot therefore be recommended.

Implications

21. **Finance:** The Council makes an annual grant to YMT. In 2015/16 the grant is £605k, a reduction of £900k compared to 2012/13.
22. **Equalities:** The proposed Access card will offer discounted access for 17-24 year olds and those on Universal Credit, Pensions Credit, Jobseekers Allowance, Employment and Support Allowance and Income Support.
23. The report has no additional implications relating to: Human Resources, Legal, Crime and Disorder, Information Technology, Property.

For further information please contact the author of the report.

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Wards Affected:			All	✓
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