

Chichester District Council

THE CABINET

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Novium Business Plan Update

1. Contacts

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2. Recommendation

- 2.1 **That the Cabinet approves the Business Plan in the appendix to the agenda report for the Novium Museum and Tourist Information Services.**

3. Background

- 3.1 The Novium Museum opened to the public in July 2012 in premises built by Chichester District Council (CDC) in Tower Street Chichester. It relocated from its former premises in Little London and incorporated the Tourism Information Centre which occupied its own premises in South Street Chichester.
- 3.2 The premises cost £6.09m to construct, fit out and to relocate the artefacts from the Little London premises. CDC sold the former museum building and adjoining Tower Street site for a combined figure of £2.465m in order to supplement the capital costs of the new premises. It has also leased the former TIC building generating an additional £49,500 per annum from July 2016 onwards.
- 3.3 After an initial period of charging for entry to the new museum, the service reverted back to free entry in November 2014. The museum has since been operating to a forward plan (reported to the Cabinet in September 2014) to generate additional income to replace the lost entry fee income and eventually generate additional income to subsidise the operating costs.
- 3.4 In February 2016 an Initial Project Proposal Document was considered and approved by the Cabinet to undertake an appraisal of the museum and TIC service following some concerns regarding the level of subsidy required to support the service.
- 3.5 An options appraisal was undertaken by Black Radley that identified that the most economically advantageous option was to consider outsourcing the operational management of the Museum to an established trust. It was clear however from the consultant's report that this option would provide limited savings to CDC.

- 3.6 Further works were then completed by Henry Adams to consider further possible alternative more financially beneficial uses of the Novium Museum building. The conclusions of this appraisal were considered by the Cabinet in February 2017 when it was agreed that at that stage none of the options in the report be discounted apart from the filling-in of the Roman bath remains.
- 3.7 In July 2018, the Cabinet agreed that following limited interest received from the soft market testing, the procurement process for the management of the museum and tourist information service should not be pursued further at this time.
- 3.8 It was also agreed to review the Novium Museum and TIC Business Plan to identify potential opportunities for generating additional income and/or reducing expenditure.
- 3.9 Work commenced on the Business Plan at the end of July and involved briefing staff and undertaking an organisational SWOT assessment – to identify the strengths, weaknesses, opportunities and threats currently facing the service, and an external environment assessment – PESTLE – to look at the external environment in which we operate (the six key drivers of change – Politics, Economics, Society, technology, Law and Environment) – to identify the five most important external factors and how we will respond to them.
- 3.10 The South East Museum Development Programme funded an external facilitator to work with museum staff and volunteers to review the museum’s mission, vision and values.
- 3.11 A Task and Finish Group comprising Councillors R Plowman, P Dignum, N Galloway and M Hall chaired by Councillor E Lintill, has met on three occasions to discuss the content of the business plan and feedback from the meetings has been incorporated in to the document in the appendix to the agenda report.
- 3.12 Investigations into the cost of running the old museum in Little London and the TIC in South Street have been undertaken in order to compare these costs with the current budget for the Novium.
- 3.13 The last full operational year for the museum prior to the close and move to Tower Street was 2010-2011. The service costs for this year for both the museum and TIC service was £403,730. This figure excludes business rates, depreciation and support service costs.
- 3.14 In comparison the actuals for the Novium Museum and TIC Service for 2017-2018 was £470,000 excluding business rates, depreciation and support service costs.
- 3.15 The business rates in 2010-2011 totalled £14,300 whereas the business rates for 2017-2018 were £131,000.
- 3.16 The inflationary rate between March 2011 and March 2018 was 19.7%. When this figure has been applied to the 2010/11 income and expenditure figures in 6.2 above this results in a cost of £502,777, £32,777 more than the 2017-2018 actuals for the service. In addition to this there is the income generated from the former TIC building of £49,500 as referred to in section 3.2 of this report.

3.17 Although there has been a decrease in cost of the service from 2010-2011 (cost excludes business rates, depreciation and support costs) the business plan will continue to look at opportunities to generate additional income to reduce the cost of the service in future years.

4. Outcomes to be Achieved

4.1 The development of a business plan to set out the actions to be delivered by The Novium and TIC Service over the next five years to identify potential opportunities for generating additional income and/or reducing expenditure in order to enable business growth and work towards a more sustainable future for the service.

4.2 The Business Plan has identified for the next two years no growth in the revenue budget. CDC has a finance strategy which predicts a balanced budget for the next five years which includes the current cost of delivering the museum and tourist information service.

4.3 An IPPD was approved by the Cabinet in January 2019 to support additional feasibility works to investigate options of reconfiguration of the front of house area, glazing over the Roman Baths, an improved café provision within the Novium building and improvements to exhibition infrastructure. All of these actions are contained within the short term business plan actions in the appendix. Once the information from this work is completed and ascertained if technically feasible as well as increasing the income generation or savings to the budget, the budget for the next years three to five will be reviewed.

5. Proposal

5.1 That the Cabinet approves the current business plan in the appendix, noting no growth in revenue budget over and above inflationary increases for the next two years.

5.2 Following the further feasibility work for The Novium, the business plan and finances are reviewed and updated on completion of these works.

6. Alternatives Considered

6.1 Many alternative options for the Novium including alternative uses for the building, relocation of the artefacts and outsourcing the management of the service have been considered in the past.

6.2 It was agreed by the Cabinet in July 2018, that the procurement process for the management of the museum and tourist information service not be pursued further at this time and a review of the Novium Museum and TIC Business Plan to be undertaken to identify potential opportunities for generating additional income and/or reducing expenditure.

7. Resource and Legal Implications

7.1 Works associated with the implementation of the Business Plan will be covered by existing Novium and Tourist Information staff resources.

8. Consultation

- 8.1 The Task and Finish Group acknowledges the importance of the museum in collecting and preserving the heritage of the district whilst providing educational benefit and social impact for the local and visiting communities. It also recognises the additional contribution the Novium makes to the wider agenda of the Chichester Vision and the Cultural Offer for the city and district.
- 8.2 It is supportive of the work undertaken to date and subject to approval for further feasibility work it is keen for the service to consider other income generating opportunities as well as exploring further partnership working with other cultural organisations.
- 8.3 The Overview and Scrutiny Committee considered the draft business plan and recommended the business plan to the Cabinet for approval.

9. Community impact and corporate risks

- 9.1 The Museum and TIC offers a unique range of services in a city centre location and is in a strong position to maximise the potential of its services over the coming years to benefit the Chichester District and its economy.
- 9.2 Chichester's cultural offer is an integral part of the Chichester Vision. One of the four main cultural assets (along with the Theatre, Gallery and Cathedral), the Novium Museum has a vital role to play in protecting and sharing Chichester District's cultural heritage.

10. Other Implications

- 10.1 None.

11. Appendices

- 11.1 Appendix: Novium Museum and TIC Services Business Plan.

12. Background Papers

- 12.1 None.