
**MANCHESTER CITY COUNCIL
REPORT FOR RESOLUTION**

Report to: Art Galleries Committee – 10 February 2010

Subject: Manchester City Galleries' Revenue Budget Strategy and Business Plan Summary for 2010/11

Report of: Director of Culture and City Treasurer

PURPOSE OF REPORT

The purpose of this report is to present the Manchester City Galleries Business Plan for the approval of the Art Galleries Committee and to report to members of the Committee the proposed budget strategy for Manchester City Galleries for 2010/11 and indicative figures for 2011/12 and 2012/13.

RECOMMENDATIONS

Members are recommended to:

1. Approve the contents of the report, including the proposed cash limit budget for 2010/11 of £3.436M
2. Recommend the attached budget to Executive for approval as part of the Council's budget setting process
3. Delegate authority to the Chief Executive and City Treasurer to make any technical adjustments required to take account of the impact of changes in 2009/10 budgets

FINANCIAL CONSEQUENCES FOR THE REVENUE BUDGET:

The report seeks approval for a draft budget for Manchester City Galleries for 2010/11.

FINANCIAL CONSEQUENCES FOR THE CAPITAL BUDGET:

There are no consequences for the Capital budget in this report.

WARDS AFFECTED: City wide

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BACKGROUND DOCUMENTS: Manchester City Galleries Business Plan 2010/11–2012/13.

IMPLICATIONS FOR:

Anti-Poverty	Equal Opportunities	Environment	Employment
No	No	No	No

MANCHESTER CITY GALLERIES
2009/10 – 2011/12 BUSINESS PLAN SUMMARY

1. INTRODUCTION TO THE SERVICE

1.1 Manchester City Galleries

Manchester City Galleries is a non-statutory service and, together with Cultural Strategy and Renaissance in the Regions (R in R), forms part of the Cultural Department of the Regeneration Division of the Chief Executive's Department of Manchester City Council.

The service functions in the highly competitive tourism, leisure and hospitality markets, which require the provision of attractive environments, products and programmes, while also fulfilling a role as a source of public education, working in ways that satisfy all age ranges, from Manchester schoolchildren to the international academic.

1.2 Vision

We will be at the cultural heart of Manchester, working to enhance the lives of our audiences by creating places and programmes where art, ideas and imagination meet.

We will work with partners locally, regionally, nationally and internationally to bring benefits to local people and visitors and create a sense of pride in the city.

1.3 Aims

The service aims to use, develop and care for the City's collections, the buildings they are housed in, and the programmes they present, to:

- i) Provide a powerful educational resource for the widest range of users, both actual and virtual;
- ii) Support the understanding of the city's and the nation's heritage and identity, and engender pride in the city, self-esteem, mutual respect and sense of place;
- iii) Contribute to the profile, performance and cultural ambition of the city;
- iv) Work in partnership, locally, regionally and nationally, to increase levels of participation and to deliver benefit to residents and visitors to the city;
- v) To contribute to the delivery of the Cultural Strategy.

1.4 Scope

The Department employs 138 staff (115 FTE), and is responsible for:

- The management of 385,000+ visitors and venue hire clients per annum
- The management of 445,000+ virtual (on-line) visitors per annum

- The care, development, presentation and interpretation of the City's Designated collections of fine art, decorative arts and costume: 50,000 items valued at over £350M, which form part of the nation's heritage
- Enhancing the department's revenue budget of c. £3.4M by raising 41% of the department's £5.8M gross budget in income from external fundraising, grants and earned income
- The management and maintenance of 6 historic buildings: 4 open to the public, 5 listed, and 5 based in parks:
 - Manchester Art Gallery
 - Gallery of Costume, Platt Hall, Platt Fields, Rusholme
 - Heaton Hall, Heaton Park, Prestwich (in partnership with Manchester Leisure)
 - Wythenshawe Hall, Wythenshawe Park
 - Conservation Studios, Queens Park
 - The Old Parsonage, Fletcher Moss Gardens, Didsbury

The Department is also responsible for the City's war memorials and many pieces of public art, playing an important role in the management of the public realm.

In addition to displaying items from the collections for the public's enjoyment and inspiration, the Department also brings the best in contemporary and historic art and design to the city via temporary exhibitions. It provides a comprehensive education service, from early years to older people, working closely with staff from the City's Education Service, and delivers an outreach programme in association with the Culture and Regeneration Officers across the city and other agencies working in areas such as Health.

1.5 Delivery in partnership

Our services deliver City Council objectives by:

- Promoting economic development by attracting day visitors and tourists to the city, providing a high quality venue for corporate events and work with the universities and the creative industries
- Contributing to residents reaching full potential in education through learning programmes aimed at all age groups
- Promoting individual and collective self-esteem and mutual respect through exhibitions and events that generate pride in the city and its communities
- Creating neighbourhoods of choice through our management and development of heritage buildings, war memorials and public art
- Improving leadership in the city through our work with the Manchester Museums Consortium to raise the quality of cultural provision in the city

1.6 City wide and regional partners

Renaissance in the Regions (RinR)

Manchester City Galleries is the lead partner of the North West Museums Hub, which delivers Renaissance in the Regions (R in R) in partnership with five other regional museums and galleries. R in R is a national funding programme aimed at transforming the work of regional museums, managed by the Museums, Libraries and Archives Council (MLA). Its focus is on increasing access and, as part of the

NW Renaissance programme, Manchester City Galleries is working to meet targets related to: -

- Education
- Overall visits
- Visits from non-traditional gallery goers

All these target groups fit with the City Council's priorities. From the regional allocation of £5M pa in 2009-10 and 2010-11, Manchester City Galleries receives £760k pa and benefits from a range of additional investments into city wider projects such as CreativeTourist.com, which has transformed the promotion of the city's museums and galleries. Manchester City Galleries hosts the Renaissance Team that manages the programme for the NW. Additional direct financial benefit to the city in the form of grant aid to the University of Manchester (Manchester Museum and the Whitworth) is in excess of £1.5m pa.

Northwest Regional Development Agency (NWDA)

The Renaissance NW Team has secured NWDA investment of £3M over 4 years (2008/09-2011/12) to support the development of a high profile co-ordinated exhibition and displays programme and improvements in the marketing of the North West Museums Hub venues. The objective is to stimulate an increase in tourism from international visitors and from UK visitors from outside the North West region. Over £1.5M will be spent in the city across Manchester Museum Consortium venues.

Manchester Museums Consortium

Manchester City Galleries work closely with the other major Accredited museums with Designated collections in the city: Manchester Museum and the Whitworth Art Gallery, which are managed by the University of Manchester, the Museum of Science and Industry, and the People's History Museum, which are independent trusts. MCC Cultural Directorate leads the Manchester Museum's Consortium, which brings together these organisations to work for the benefit of the city. Together these institutions welcome over 1 million visitors per year, and have an economic benefit to the city of over £30M p.a.

Other funding sources

Manchester City Galleries enjoys a range of external funding relationships. In 2009/10, 41% of the department's budget came from sources such as the Renaissance in the Regions programme, as well as income from trading, sponsorship, grant giving trusts and other supporting charities.

While Manchester Art Gallery in particular enjoys good support from the business community through its Corporate Members scheme and corporate hire of the venue, it is recognised that this has been adversely affected by the economic downturn. Work is currently underway to explore ways of improving the profitability of income generating activities in the department. Admission charges for over 18s have now been introduced for major exhibitions. This does reduce attendance figures but creates valuable income to help with exhibitions costs.

2. CURRENT PERFORMANCE

2.1 Performance Analysis

ATTENDANCES	2009/10 Target	2009/10 Projection
Manchester City Galleries: Web visits	365,000	445,000
Manchester Art Gallery: all visits	385,000	380,000
MAG: National tourists' visits	80,000	95,000
MAG: International tourists' visits	36,900	45,900
MAG: BME, C2DE, disabled visits	87,500	76,500
MAG: School Pupil (5 – 16 year olds) visits	20,000	18,000 At full capacity for taught sessions
MAG: Adult Learning participants	7,200	7,200
MAG: Family event participants	12,000	14,000
MAG: Manchester Wards (hard-to-reach individuals)	3,300	3,300
Platt Hall – Gallery of Costume: all visits	Site closed for refurbishment	Site closed for refurbishment
Wythenshawe Hall: all visits	10,000	9,000
Heaton Hall: all visits	24,000	24,084

2.2 Commentary on performance

- 97% of all visitors to Manchester Art Gallery are very or quite satisfied
- BME visits have grown in quantity and as a proportion of the total number of visitors to Manchester Art Gallery
- Education and Learning: formal education visits to Manchester galleries have grown since the Gallery's re-opening in 2002, almost quadrupling in the period. This service reached capacity in staffing and facilities in 2007/8 and 2008/9 but experienced a downturn in 2009/10 in line with national trends due to changes in the national curriculum in schools
- Web visits continue to grow and the development of the Galleries' website supports this growth. In the light of performance during 2009/10 it is proposed to revise targets for subsequent years.

3. HOW THE SERVICE LINKS TO CORPORATE OBJECTIVES

Manchester City Galleries service contributes to Council core aims under three spines: -

3.1 To enable people to reach their full potential through education and employment

- Meeting overall Learning targets by: -
 - *Every Child Matters* – Developing education services across the city in relation to user needs and wants, building on existing good practice and evidence of Primary Consultant post, which has supported accelerated attainment in literacy at key stage 2 in 41 Manchester primary schools.
 - Developing secondary programme to improve and sustain relationships with secondary schools and contribute to educational attainment.
 - Developing programme to co-ordinate initial teacher training and CPD.
 - Developing Manchester Museums Consortium programme for Extended Schools and Secondary Education
- Contributing to delivery of the Oxford Road Corridor and *Knowledge Capital* prospectus by developing ways of engaging collections with teaching and research in Higher Education in order to increase public and HE access to the collections.
- Leading the Museums and Galleries' sector in Manchester to deliver the City's agenda and leading the sector in the region, in partnership with MLA, to deliver the national agenda
- Providing inspiration and learning to a wide range of residents and visitors to the city
- Developing a high profile, Original Modern cultural offer that contributes to the reputation and economic growth of the city and supports inward investment and employment opportunities
- Contributing to the Think Family agenda by delivering family programmes in the gallery and externally in partnership with schools, Children's Services and Sure Start and maintaining our national reputation for excellence in this area
- Working with Cultural Strategy to develop a Cultural Entitlement programme and broker sustainable commissioning relationships with Children's and Adults' Services

3.2 To enable individual and collective self-esteem and mutual respect

- Meeting Cultural Strategy, Renaissance in the Regions and BVPI attendance targets by:
 - Successfully implementing the audience development strategy and exceeding attendance targets
 - Successfully implementing community consultation policy and plan
 - Effectively collaborating with other Cultural Services
 - Supporting delivery of the Original Modern brand
- Contributing to the *Respect* agenda by delivering a programme of exhibitions, activities and events that encourage the development of identity and self-esteem and contribute to social and community cohesion and pride in the city

- Continuing delivery of the War Memorials and Public Art programme to improve quality of environment and contribute to *Valuing Older People* agenda
- Contributing to the well-being and mental health agenda by developing programmes with health sector agencies

3.3 To develop neighbourhoods of choice

- Supporting the development of Neighbourhoods of Choice by:
 - Continuing work with schools in every Manchester ward
 - Continuing delivery of the War Memorials and Public Art programme to improve quality of environment
 - Working strategically with Manchester Leisure to co-ordinate management and development of buildings in parks to increase levels of usage
 - To work with Capital Programmes and Corporate Property to ensure effective management of the property portfolio and historic buildings

4. BUSINESS PLAN OBJECTIVES FOR 2010/11

4.1 Priorities

Over the next three years our priorities are:

- 1) To plan for reduction/loss in central government grants from RinR, RDA and WNF through new business models
- 2) Deliver savings within MCC cash limited budget
- 3) To build on the Art Gallery's success and continue to grow and widen audiences and meet audience targets for Manchester City Council, Renaissance in the Regions, and the Regional Development Agency
- 4) Deliver the RDA funded Radical Manchester project in partnership with Manchester Museums Consortium
- 5) Sustain contribution to the City's education agenda
- 6) Build on the relaunch of the Gallery of Costume at Platt Hall to improve performance and profile in partnership with Manchester Metropolitan University and the University of Manchester
- 7) Create a sustainable way forward for the Branch Galleries at Heaton Hall & Wythenshawe Hall in partnership with Corporate Property, Leisure Services, Neighbourhood Services and Regeneration
- 8) Improve and consolidate collection care and management, and retain Accreditation for Designated Collections and Gallery buildings
- 9) Secure continued funding from Renaissance in the Regions – the national funding programme for the transformation of regional museums
- 10) Develop on-line access to collections and services
- 11) Develop a more sustainable income generation strategy through fundraising and trading in a challenging economic climate
- 12) Deliver the care and maintenance programme for Public Art and War Memorials

4.2 Performance Targets

Attendances	2009/10 Target	2010/11 Target	2011/12 Target	2012/13 Target
Manchester City Galleries: Web visits	365,000	400,000*	410,000*	420,000*
Manchester Art Gallery: All visits	385,000	395,000	400,000	400,000
MAG: National Tourists' visits	80,000	82,500	82,500	82,500
MAG: International Tourists' visits	36,900	37,500	37,500	37,500
MAG: BME, C2DE, Disabled visits	87,500	90,850	92,000	92,000
MAG: School Pupil (5-16 year olds) visits	20,000	20,000	20,000	20,000
MAG: Adult Learning participants	7,200	7,200	7,200	7,200
MAG: Family event participants	12,000	12,000	12,000	12,000
MAG: Manchester Wards (Hard-to-Reach) individuals	3,300	3,300	3,300	3,300
Platt Hall - Gallery of Costume: All visits	site closed for re-furbishment	5,000	8,000	10,000
Wythenshawe Hall: All visits	10,000	TBC Dependent on opening hours	TBC Dependent on opening hours	TBC Dependent on opening hours
Heaton Hall: All visits	24,000	24,000	TBC Pending outcome of HLF bid and Capital Programme	TBC Pending outcome of HLF bid and Capital Programme

* Target to be reviewed in context of programme and web site development following the previous year's annual performance review.

4.3 Commentary on targets

- Manchester Art Gallery visitor targets are to grow by 10,000 per annum over the life of this plan
- Visits by BME, C2DE and Disabled visitors are to increase in number
- School visits to Manchester Art Gallery are at capacity for existing resources of building, sessions during term time and staff resources – performance indicator targets in this plan have been set to reflect this. Informal Learning Contacts, continue to grow with a projected increase of 7% year on year for the plan

- Modest improvements in attendances are planned for the historic houses in parks. Given redevelopment proposals for Platt Hall, the building has been closed to general visitors since January 2008, and will re-open in March 2010. The 2008/09 application to HLF for Heaton Hall restoration was not successful. Plans to resubmit the scheme again in Spring 2010 are currently being explored.
- Continuity of improvements at Wythenshawe Hall would be dependent on continuity of SIF funding following evaluation of 09/10 performance
- Web visits: the predicted increase in the use of the Internet suggests that web visits will go on increasing over the life of the plan. Targets for 10/11 onward to be reviewed in April 2010 in context of 09/10 performance review.

4.4 Summary

This report sets out performance to date in 2009/10 and Manchester City Galleries' objectives for the next 3 years, with specific focus on 2010/11. It demonstrates the department's contribution to the 3 spines in the Community Strategy. The funding position from April 2011 is currently uncertain due to the high dependency of Galleries on external funding, in particular central government grants from RinR, NWDA and WNF. For the latter ABG grant Galleries will be part of the city wide review to look at:

- What grant funded activities should MCC and partners mainstream
- What can be delivered with alternative funding
- What activities may fit the criteria for the MCC Growth Fund
- What MCC and partners could/must stop funding and what the implications are on service delivery and corporate priorities

Galleries has recently undertaken a review of the service and is in the process of scenario planning in relation to new business models and partnerships to address potential reductions in the external funding in preparation for levels of funding available in future years.

Summary Financial Plan:

GALLERIES

Objective / Budget Headline (Sub division of service)	Current Cash Limit Revenue Budget		Proposed Gross Cash Limit Revenue Budgets			Budget Funding Source	Budget funding			New Capital Investment Required? (Y/N)
	Gross £'000	Net £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000		2010/11 £'000	2011/12 £'000	2012/13 £'000	
Galleries Executive	119	119	119	120	121	Mainstream	119	120	121	No
Development Unit	315	-408	318	329	330	Mainstream	-404	-393	-398	No
						Trust	437	437	437	
						External Income	285	285	291	
Finance & Business Services	246	246	244	245	251	Mainstream	244	245	251	No
Services	2,467	1,844	2,448	2,455	2,496	Mainstream	1,825	1,832	1,866	No
						External Income	359	359	366	
						RinR (MLA)	264	264	264	
Asset Management & Development	1,253	947	1,320	1,325	1,356	Mainstream	1,014	1,049	1,080	No
						Internal Recharge	53	53	53	
						RinR (MLA)	223	223	223	
						RinR (RDA)	30	0	0	
Programmes	1,374	819	1,356	1,360	1,384	Mainstream	835	939	963	No
						Specific Grants (V&A and Tate)	42	42	42	
						WNF	243	243	243	
						External Income	23	23	23	
						RinR (MLA)	113	113	113	

Regional Leadership (RinR MLA)		-160				RinR (RDA)	100	0	0	
						Mainstream RinR (MLA)	-160	-160	-160	No
							160	160	160	
WNF Adjustment			65	65	65		65	65	65	
Business Plan Savings			-227	-320	-320		-227	-320	-320	
Pressures (Economic Downturn)			32				32			
Total Galleries	5,774	3,407	5,675	5,579	5,683		5,675	5,579	5,683	
People's History Museum	180	158	180	180	180	Mainstream WNF	158	158	158	
							22	22	22	
Totals	5,954	3,565	5,855	5,759	5,863		5,855	5,759	5,863	
						Total Mainstream Funding Required	3,436	3,470	3,561	

Note:

1. RinR grant of £760k has been apportioned across the individual services. Budgets are currently being zero based and as part of this exercise the apportionments may change. Funding has been secured until 2010/11. There is no certainty that this will continue in future years. Figures above assume same levels to 2012/13.

2. Figures above exclude Culture Executive (£142k - 2010/11, £143k - 2011/12, £144k - 2012/13).

3. In line with original guidance WNF assumes same levels as 2009/10. This will be reviewed as part of a larger exercise.