

Culture and Communities Committee

10.00am, Thursday, 3 October 2024

Mitigating Museums and Galleries Budget Pressures 2024/25

Executive/routine
Wards

Executive
All

1. Recommendations

- 1.1 Culture and Communities Committee is asked to:
 - 1.1.1 Note this update on budget pressures within the Museums and Galleries service;
 - 1.1.2 Approve the closure of the People's Story on a seasonal and temporary basis through the autumn and winter months, with a view to reopening in April 2025; and
 - 1.1.3 Approve the interim service proposal for Queensferry Museum, while officers consult on a new operating model with the local community.

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Mitigating Museums and Galleries Budget Pressures 2024/25

2. Executive Summary

- 2.1 The Council is developing a new operating model for the Museums and Galleries service to provide an improved resident and visitor experience, generate increased income, and focus attention on the city's historic collections. The service is currently reporting in-year budget pressures which it has been unable to address and therefore this report seeks approval to reduce this by closing the People's Story in the autumn and winter months and amending the service arrangements for the Queensferry Museum.

3. Background

- 3.1 The Council is currently developing an Outline Business Case for the transformation of the Museums and Galleries service, with the ambition to transform the visitor offer, increase the income generated and focus attention on telling of the city's story through its collections. Culture and Communities Committee [approved](#) this [approach](#).
- 3.2 The service underwent a transformation process in 2016 which saw a reduction opening hours. This decision was reviewed in 2018 when Culture and Communities Committee [approved](#) a change to the Museums and Galleries operating model to extend opening hours to a 10am - 5pm, seven day a week model.
- 3.3 The seven day operating model was due to run for a trial period which was then impacted by the Covid pandemic and closure of cultural buildings. Following this, a mix of increasing revenue costs and a reduction in income from the two highest revenue sources (Scott and Nelson Monuments), means that the service is reporting an in-year budget pressure which needs to be addressed ahead of a more detailed review of a future operating model.

4. Main report

- 4.1 In 2016, Museums and Galleries reduced opening hours at venues across its estate from six and seven days a week to five days, with an associated staff cost saving of

£0.166m. In March 2018, Committee approved a [change](#) back to seven day opening hours following a further report which concluded that additional funding of £0.253m would be needed to implement this. £0.158m was budgeted to come from assumed additional income generated by the Museums, while £0.095m would be provided through the budget process.

- 4.2 Following this decision, the staff complement was increased to support a seven day a week operation resulting in a team of 45 Visitor and Monument and 16 Retail team members. The current budget for this team is £1.852 million.
- 4.3 Since March 2018, the service has experienced income pressures, while the revenue costs (including staffing) have increased.
- 4.4 The Scott Monument has experienced a significant reduction in income due to an operational change in visitor access to the monument. This was necessitated following a health and safety review to prevent suicide attempts and was agreed with the Procurator Fiscal and Lord Advocate at the time. Income has subsequently dropped by over £0.200m from its highest level in 2017/18 to its lowest in 2023/24 (see Appendix 1).
- 4.5 Both the Scott and Nelson Monuments provide the largest proportion of income for the Museums and Galleries service and were also impacted by Covid. Work to the Nelson Monument has enabled a re-opening in 2024/25 and visitor levels are predicted to be strong enough to come close to its income target, which (alongside a recruitment freeze) has helped to alleviate the in-year budget pressure. The deficit from the Scott Monument, however, presents an ongoing challenge.
- 4.6 Alongside this, inflation and increased employee costs contribute to the reported pressure.
- 4.7 Employee costs can often be reduced and managed through normal staff turnover, with costs being mitigated through interim vacancies and new recruits beginning at the bottom of the spinal columns. However, the Museums and Galleries has many experienced and long-serving employees, and turnover is often low.
- 4.8 Non-staff and operational costs have been subject to higher than usual inflationary pressures, and across the free to enter venues, visitor numbers are operating at 82% of the pre-pandemic visitor levels, (which is in line with other attractions across the UK (Appendix 2)).
- 4.9 A mitigation plan was put in place at the start of the financial year to manage the budget pressure: introducing a recruitment freeze across Visitor and Monument Assistants and Retail roles, re-opening the Nelson Monument, and increasing donations.
- 4.10 This has helped to reduce the projected deficit but, as a result of the recruitment freeze, there have been instances of reactive museum closures as staffing levels have dipped below the minimum required to maintain a full service. This has been exacerbated by sickness absence and annual leave.

- 4.11 Staff turnover since April 2024 means that the service currently has 35 FTE Visitor and Monument Assistants, while five colleagues are absent due to long-term sickness. Sickness absence is also high, at c.8%. The Council's managing sickness absence policy is being followed to support colleagues who are unwell.
- 4.12 To contain the budget deficit by March 2025, officers are recommending that changes are made to the opening hours of two Museums: People's Story and Queensferry Museum.

Queensferry Museum

- 4.13 Queensferry Museum was a shared operational service with Registrars, who have since vacated the building, and operating the Museum floor has become more challenging. It is proposed that Queensferry Museum temporarily moves to an appointment-based service on specified days to enable school visits, and a regular time for residents and visitors to access the collections. Officers will maintain education and outreach work in the area, such as the Bridges 60th Anniversary project, and engage with local community groups to examine future service models.
- 4.14 This proposal will enable the service to provide consistency across other venues, most significantly the two highest income generating sites (Scott and Nelson Monuments), as well as City Art Centre, Museum of Edinburgh, Museum of Childhood and Writers' Museum. Lauriston Castle has a separate organisational structure and is not impacted by the proposals outlined.

People's Story

- 4.15 It is also proposed to close the People's Story on a seasonal and temporary basis through the autumn and winter months 2024/25, reopening in April 2025.

Alternative Options

- 4.16 Officers have assessed an alternative range of options, including a reduced operating schedule (reverting to either a five day a week model, and a reduced daily hours model). These would have supported keeping all venues open but to a lesser extent. The issue with this is staff are contracted according to the Council's terms and conditions and work to fixed rotas and contracted days. To make changes to these conditions would take approximately four months to enact. Rolling closures are possible but will create further negative impacts on income.
- 4.17 Officers will explore a future operating model for 2025 and beyond. This will coincide with the New Collections Centre and Museums and Galleries Transformation programme that seeks to improve the offer to residents and visitors while remaining within agreed budget parameters. A revised operating model for Queensferry Museum will be assessed, with engagement locally to address the vacant Registrars space or use of other venues. An update outlining progress and next steps for this programme will be provided to Committee in December 2024.

5. Next Steps

- 5.1 If Committee agree to the recommendations of this report, rotas will be adapted to provide consistent seven day opening across the rest of the service. Websites and other communication channels will provide updated information on opening hours.
- 5.2 Officers will examine alternative operating and staffing models to design solutions for a more consistent service that keeps all venues open from April 2025 while keeping within budget parameters, as well as engaging with the Queensferry community to examine future provision in the area.
- 5.3 Officers will continue with the current Museums and Galleries transformation programme as agreed. A progress update will be provided to Committee in December 2024.

6. Financial impact

- 6.1 The Council's approved budget for 2024/25 is underpinned by a requirement for relevant Service Directors and Senior Managers to develop and implement detailed plans to fully mitigate known and emerging budget pressures.
- 6.2 In the report to Finance and Resources Committee on 19 September 2024 Revenue Monitoring 2024/25 – month three report, an overspend of £26.741m is forecast for the Council in 2024/25.
- 6.3 Given the extent of in-year pressures and limited available corporate mitigations, urgent action requires to be taken to reduce frontline service expenditure if the Council's financial stability is not to be compromised.
- 6.4 Within the forecast overspend of £26.741m, the Museums and Galleries service is forecasting an overspend of £0.467m.
- 6.5 The Museums and Galleries service budget forecast overspend includes employee costs of £0.327m and an income target shortfall of £0.140m
- 6.6 The income target shortfall is principally due to income recovery at the Scott and Nelson Monuments being less than target.
- 6.7 Holding all vacancies, temporarily closing People's Story and introducing alternative opening arrangements for Queensferry Museum until March 2025 would reduce the forecast overspend to £0.205m.
- 6.8 An overspend of £0.331m is forecast for 2024/25, if specified roles are recruited to maintain a seven-day operation.
- 6.9 An analysis is shown at Appendix 4.

7. Equality and Poverty Impact

- 7.1 Adverse equalities and poverty impacts are not anticipated.

8. Climate and Nature Emergency Implications

- 8.1 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”

(Nature Conservation (Scotland) Act 2004)

- 8.2 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.

Environmental Impacts

- 8.3 The service would not expect significant adverse environmental impacts. There would be lower energy use in buildings and on staff travel.

9. Risk, policy, compliance, governance and community impact

- 9.1 As noted in the Main Report, the proposal to close the People’s Story during autumn and winter 2024/25 and to make alternative arrangements to access the Queensferry Museum has been prepared as a result of on-going budget pressures in the Council’s Museums and Galleries Service. This is a short term proposal, while officers develop plans for transformation of the Council’s Museums and Galleries (a progress update is due to be presented to Committee in December 2024).
- 9.2 If Committee decide not to proceed with the proposals set out in this report, the anticipated saving of £126,000 would not be achieved and the projected overspend for the service would remain as reported in section 6 above.
- 9.3 There is a reputational risk to the Council in proceeding with the proposals set out in the report, and local residents may be unhappy with the changes proposed. However, there are also reputational risks in respect of the on-going budget overspend and also if museums and galleries need to close at short notice due to reduced staffing levels.
- 9.4 Officers will continue to work with Queensferry Community Council and local heritage groups to discuss the impact of these proposals and potential future changes.

10. Background reading/external references

- 10.1 [Update on Museums and Galleries Transformation – Opening Hours](#), Culture and Communities Committee, 18 January 2018
- 10.2 [Museums and Galleries – Alternative Opening Hours](#), Culture and Communities Committee, 20 March 2018.
- 10.3 Revenue Monitoring 2024/25 – month three report, Finance and Resources Committee, 19 September 2024.

11. Appendices

Appendix 1 – Scott Monument Admission Income

Appendix 2 – ASVA Data

Appendix 3 – Museums and Galleries – Retail and Visitor Staffing and income

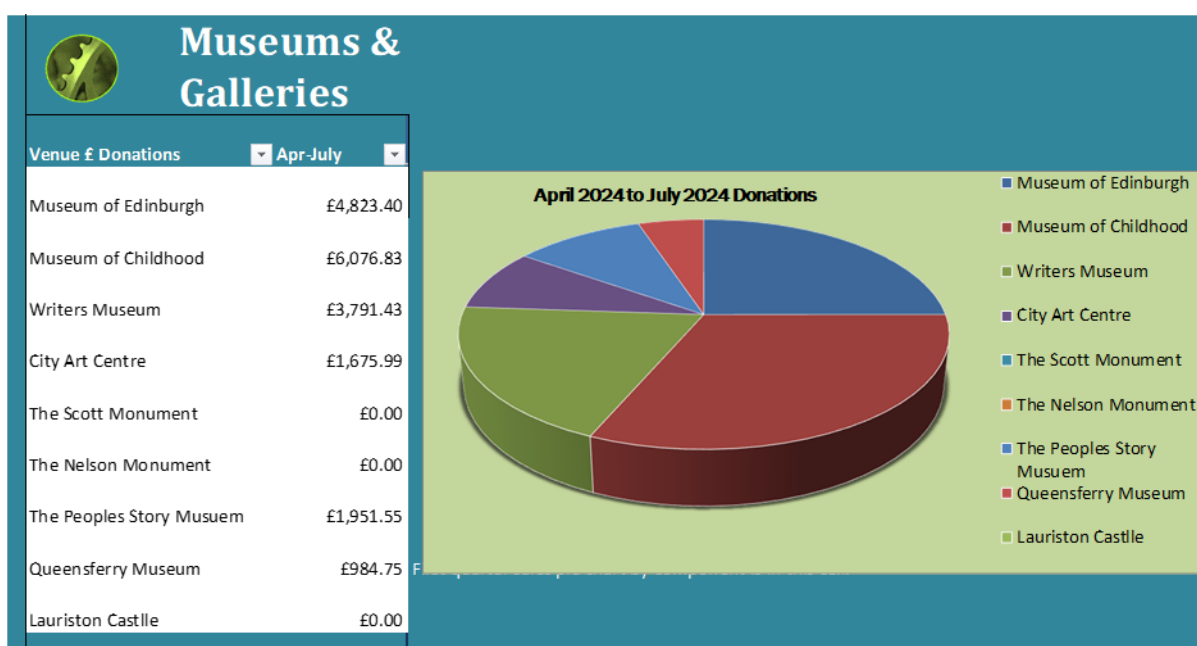
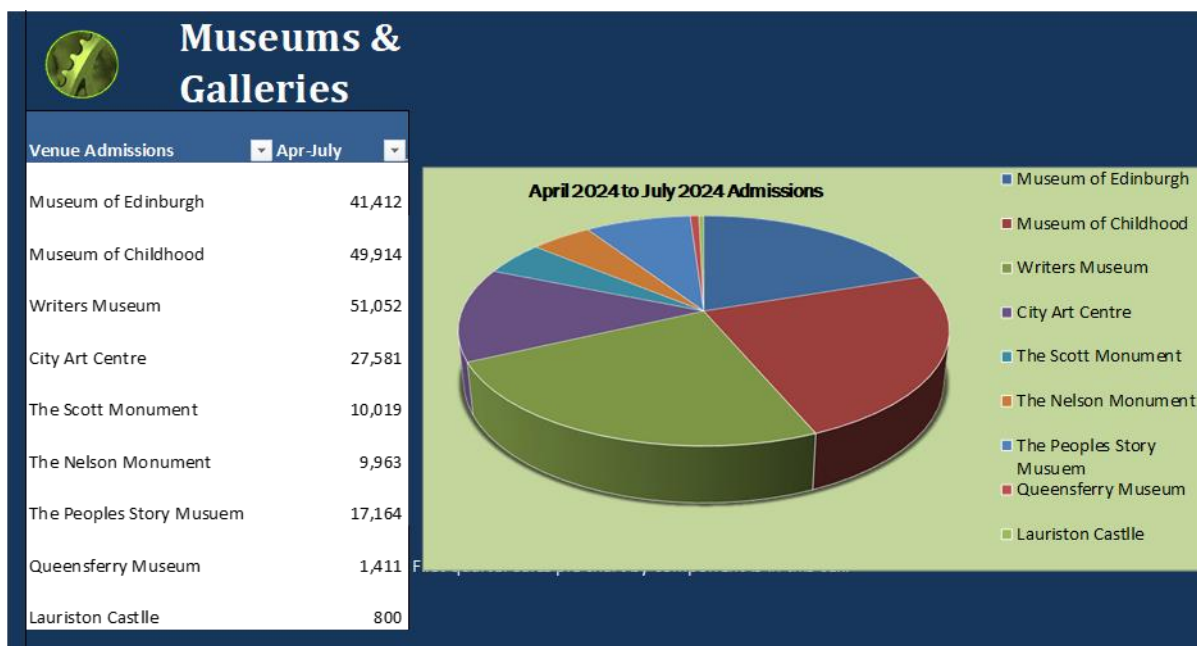
Scott Monument admission income:

	Revised Budget	Actual	Variance
2013-2014	-164,750	-201,870	-37,120
2014-2015	-200,150	-255,608	-55,458
2015-2016	-238,150	-261,710	-23,560
2016-2017	-244,150	-248,328	-4,178
2017-2018	-299,150	-322,515	-23,365
2018-2019	-347,515	-311,057	36,458
2019-2020	-347,515	-113,671	233,845
2020-2021	-347,515	0	347,515
2021-2022	-347,515	0	347,515
2022-2023	-232,515	-39,585	192,930
2023-2024	-232,515	-119,556	112,960

ASVA Data

Analysing the 2023/2022 data report which has been published through ASVA (Association of Scottish Visitor Attractions), statistics show that compared to 2019 Attractions visitation across Scotland remains down by 13% for the year to date, on what is widely regarded as the last ‘normal’ year before the pandemic.

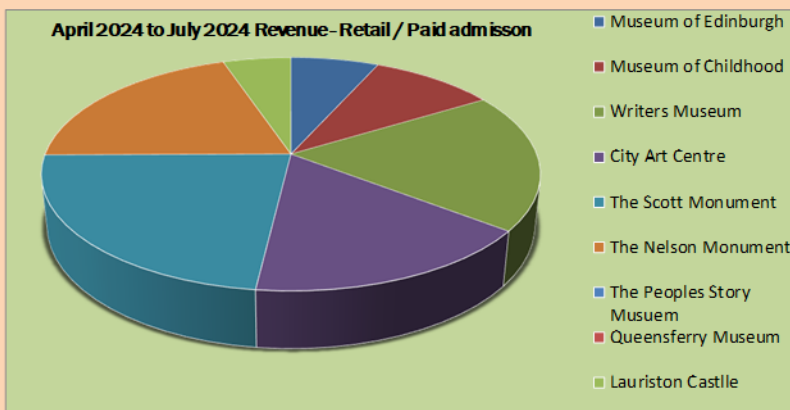
The report also recognises that since the Pandemic there has been increased costs of doing business due to inflation and the consumer cost of living crisis influencing decisions.





Museums & Galleries

Venue	£ Revenue	Apr-July
Museum of Edinburgh	£20,130.47	
Museum of Childhood	£28,615.08	
Writers Museum	£57,453.83	
City Art Centre	£49,344.07	
The Scott Monument	£68,861.00	
The Nelson Monument	£59,685.00	
The Peoples Story Musuem	£0.00	
Queensferry Museum	£0.00	
Lauriston Castle	£15,576.00	



Museums and Galleries – Retail and Visitor Staffing and income

Visitor

Staffing structure cost	1,626,200
Turnover target	231,350
Net budget available	1,394,853.40

Grade	FTE In Post	FTE Vacancies
9	1	0
5	3	0
4	2	1
3	38.72*	5.92
Total	44.72	6.92

* Three GR3 staff on long – term sick

	Forecast	Variance
24/25 holding all vacancies	1,493,880	99,300
24/25 filling vacancies to provide min service (5.92 GR3, 1 GR3 LTS cover and 1 GR4)	1,607,720	213,140
25/26 Full year effect of hiring (5.92 GR3, 1 GR3 LTS cover and 1 GR4)	1,765,077	370,490

Monument income

	Forecast	Variance
Nelson	-125,000	13,180
Scott	-140,000	92,500
Total	-265,000	105,680

*Updated to P4 forecasts, negative forecast denotes income, positive variance denotes overspend.

Museums and Galleries – Retail and Visitor Staffing and income

Retail

Staffing structure cost	532,272
Turnover target	75,723
Net budget available	456,549

Grade	FTE In Post	FTE Vacancies
6	1	0
4	2	0
3	13.03	1.19
Total	16.03	1.19

	Forecast	Variance
24/25 holding all vacancies	508,420	51,870

Retail income and other expenditure

	Forecast	Variance
Retail income	-430,000	0
Retail expenditure	115,200	12,000
Total	-314,800	12,000

***Updated to P4 forecasts, negative forecast denotes income, positive variance denotes overspend.**

Summary

The 24/25 non-staff pressure across Retail and Visitor is 117,680. This is the total of the income pressure at the Scott and Nelson and the 12,000 retail expenditure pressure.

24/25 Staffing pressure holding all vacancies would be 99,300, totalling **216,980** with the non-staff pressure.

24/25 Staffing pressure hiring into specified roles would be 213,140, totalling **330,820** with the non-staff pressure. This would also have a higher full year impact on 25/26.