

# Culture and Communities Committee

10.00am, Thursday, 5 December 2024

## Museums and Galleries Interim Model and Transformation Update

Executive/routine  
Wards

Executive  
All, particularly City Centre

### 1. Recommendations

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- 1.1 Culture and Communities Committee is asked to:
  - 1.1.1 Approve Option 1 'seasonal' operating model (as part of a suite of actions) to mitigate Museums and Galleries budget deficit and provide a balanced budget from 2025/26;
  - 1.1.2 Note this update on Museums and Galleries transformation and that the pathway for the new Collections Centre project will be included in the budget setting process in February 2025; and
  - 1.1.3 Note that, while the interim actions and options have been developed to reduce the overall budget pressure, it is anticipated that a redesign of the service will be required to balance the museums and galleries budget on a sustainable basis.

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## Museums and Galleries Interim Model and Transformation Update

### 2. Executive Summary

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- 2.1 This report provides an update on the actions being progressed to mitigate the museums and galleries budget pressures for financial year 2025/26 and seeks approval to introduce a seasonal operating model.
- 2.2 The report also provides an update on museums and galleries transformation, provides an update on the pathway to the new Collections Centre project.

### 3. Background

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- 3.1 On 7 December 2023, the Committee [approved](#) (with amendments) a [report](#) on the New Collections Centre and Museums and Galleries Transformation programme.
- 3.2 A [report](#) on Mitigating Museums and Galleries Budget Pressures (as a result of a combination of increased revenue costs and reduced income) was considered by Committee on 3 October 2024. The report was referred to the Council on 7 November 2024 and the Council noted that funding has been identified for a short-term approach to reopening the People's Story Museum but that this is not a sustainable position for the Museums and Galleries service. The People's Story will reopen from early December.
- 3.3 The Council also confirmed that it has a shared ambition to maintain the People's Story as a standalone, city centre museum in the Old Town in its location in the Canongate Tolbooth and urged greater community engagement (including exploration of sponsorship/co-curation with partners) to help update and invest in the museum's offer. The Council agreed to explore secondment opportunities for other Council employees and also to consider applying a more equitable temporary closure across the museums estate to generate enough capacity to at least partially open the People's Story.
- 3.4 The Council also agreed the temporary closure of the Queensferry Museum until April 2025, other than for booked visits.

## 4. Main report

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### Interim Operating Model

- 4.1 As highlighted in the report on Mitigating Museums and Galleries Budget Pressures and in the Month Five budget monitoring report on the agenda for Committee today, the Council's museums and galleries service currently has a budget pressure of £0.426m (which is being partially mitigated in 2024/25 by income from cultural venues).
- 4.2 In order to mitigate this pressure on a sustainable basis (in advance of Museums and Galleries Transformation), officers have been exploring the options available to the service. This includes:
- 4.2.1 Accelerating income generation and exploring new opportunities for income generation;
  - 4.2.2 Reassessing the retail offer in museums and galleries, which does not currently break-even; and
  - 4.2.3 Managing expenditure in other areas of the service to offset the budget pressures.
- 4.3 However, the above actions will not achieve the full saving required to achieve a balanced budget for the museums and galleries service in 2025/26. Therefore, officers have developed the following options in respect of opening hours:
- 4.3.1 Model 1: A Seasonal model with reduced opening days in the winter months;
  - 4.3.2 Model 2: A six-day week model throughout the year; or
  - 4.3.3 Model 3: A reduced daily opening hours model.
- 4.4 Appendix 1 provides further details on each of these models and explains the rationale for each.
- 4.5 In each Model, it is proposed that the Queensferry Museum would open two days per week in winter and three days per week in summer, with additional opening on days when cruise ships are docked at Hawes Pier (subject to demand). Consultation with stakeholders in South Queensferry about this approach is underway.
- 4.6 Officers recommend implementing Model 1, whereby the Council operates a seasonal working model for museums and galleries. During the winter months (October – March), the Council's museums and galleries would be open Wednesday – Sunday, with the exception of the City Art Centre, Scott Monument and Nelson Monument which would continue to open seven days per week.
- 4.7 This option provides the opportunity to protect the terms and conditions (including pay) of existing team members, ensures that the museums and galleries are open over the weekend as well as during the week for residents and visitors, and contributes to the Council's net zero ambition (by reducing energy usage on the days when the venues are closed).

- 4.8 For the increased opening hours in the summer months (April – September), seasonal team members would be recruited to complement the service core team.

### **Museums and Galleries Transformation**

- 4.9 The vision for the city's museums and galleries is to transform the telling of Edinburgh's story through its art and artists, historic heritage and cultural collections, museums and galleries, city archives, partnerships and engagement.
- 4.10 To achieve the vision, it is important that transformation is focused on creating museums which are financially sustainable, presenting collections and exhibitions of quality which attract local residents and visitors, ensuring that venues are accessible for all visitors and support the Council's net zero ambition.
- 4.11 Appendix 4 provides a summary of the progress to date with Museums and Galleries transformation and in September 2024, a Senior Change and Delivery officer was appointed to support the transformation change process and development of a full business case.
- 4.12 The Council currently operates five museums and galleries in the city centre (in addition to the Nelson and Scott Monuments, Lauriston Castle and the Collections Centre at Broughton Market):
- 4.12.1 City Art Centre;
  - 4.12.2 Museum of Edinburgh;
  - 4.12.3 Museum of Childhood;
  - 4.12.4 Writer's Museum; and
  - 4.12.5 The People's Story.
- 4.13 The table in Appendix 3 shows a summary of current capacity and accessibility in each of these venues (excluding the Monuments and Lauriston Castle).
- 4.14 As previously reported, Local Authorities do not have any statutory powers to introduce admission charges for museums and galleries. While dialogue with the Scottish Government continues, officers will continue to explore opportunities to increase revenue from activities within the service.
- 4.15 Income Generation plans continue to be implemented with the aim of achieving an additional £1m of revenue over the next three years from donations, retail and venue bookings. This also links to the interim operating model proposals above.

### **Collections Centre Update**

- 4.16 A new Collections Centre is an essential part of a wider transformation programme which aims to bring together the city's museums and galleries collections, archives, Travelling Gallery, mobile library unit, library archives and learning resource. It will create new space for future collections so that today's stories can be told in the future. It will enable services to work in a 'hub and spoke' model enabling access to collections, archives and library resources in communities across the city.

- 4.17 The update on the [Capital Budget for 2025 - 2035](#) to Finance and Resources Committee on 19 November 2024 noted the requirement for a new Collections Centre. A full business case to determine the capital investment required for this is currently being developed for consideration as part of the budget setting process in February 2025.

## **5. Next Steps**

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- 5.1 In the short to medium term, if Committee agree one of the operating models outlined in paragraph 4.3, officers will proceed to implement this as soon as possible.
- 5.2 Moving forward, it is anticipated that redesign of the service will be required to balance the museums and galleries budget on a sustainable basis.

## **6. Financial impact**

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- 6.1 The Museums and Galleries service is forecasting expenditure to be greater than budget by £0.426m in 2024/25, which is being partially offset by income from cultural venues. This is due to reduced visitor income, inflationary cost increases and employee turnover being less than expected. All forecasts will continue to be reviewed, and mitigation measures will be progressed wherever possible, for the remainder of 2024/25 in order to reduce the additional cost as far as possible.
- 6.2 In respect of the interim operating models, financial analysis of the proposals set out in paragraph 4.3 indicate that:
- 6.2.1 Model 1 forecasts indicate that a residual budget pressure of £0.349m would remain;
- 6.2.2 Model 3 forecasts that a residual budget pressure of £0.357m would remain; and
- 6.2.3 Model 3 forecasts that a residual budget pressure of £0.227m would remain.
- 6.3 Based on current assumptions, the service expects to achieve additional income of £0.115m in 2025/26 to further reduce the operating pressures. However, as indicated in the Main Report, further actions are being progressed to bring the service budget into a balanced position for 2025/26.
- 6.4 Financial performance will be tracked throughout 2025/26.
- 6.5 It is anticipated that the business case for the Museums and Galleries redesign will be funded through National Heritage Lottery funds, but officers will report back to Committee on the application and Plan B in the event that it is unsuccessful.

## 7. Equality and Poverty Impact

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- 7.1 The approach taken to keeping the museums and galleries open has been done with equality in mind, creating a fairer approach to ensure all the Council's collections are accessible and free.
- 7.2 An Integrated Impact Assessment has been carried out on the interim operating models, which highlighted that models 2 and 3 would both impact on staff terms and conditions, in particular working hours. Under model 1 working hours will not be reduced and terms and conditions will not be affected.
- 7.3 An Integrated Impact Assessment will also be prepared for the future options for museums and galleries transformation.

## 8. Climate and Nature Emergency Implications

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- 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 A small reduction in environmental impacts is anticipated if model 1 is approved as the interim operating model. This is due to the closure of buildings two days per week. The remaining models are also likely to achieve a small reduction in environmental impacts as a result of the reduced opening days/hours.
- 8.4 Environmental audits will be undertaken as part of any design stage process for capital projects, and creating sustainable buildings will be prioritised as part of the Council's commitment to Passivhaus Design principles.

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

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- 9.1 There is a financial risk in not approving a revised operating model as the service will be unable to achieve a balanced budget in the short to medium term, although

this also relies heavily on the service increasing income and reducing operating costs.

- 9.2 Initial engagement with team members and Trade Unions has been progressed on the interim operating models. Further consultation will be required if an option for changing opening arrangements is approved. As noted above and in Appendix 1, model 1 is not anticipated to have any impact on colleagues, terms and conditions or pay. Models 2 and 3 both impact on terms and conditions and therefore further consultation will be required with colleagues.
- 9.3 If Option 1 is agreed, there is a risk that the Council will be unable to recruit the necessary seasonal assistants to support increased opening hours. This will be monitored through service management team meeting updates and action will be taken to address any issues if they arise.
- 9.4 For museums and galleries transformation, it is proposed to establish a working group with officers and elected members to prepare and consult on future operating arrangements. The outcome of this consultation, alongside other due diligence activities, will be reported back to Committee.

## **10. Background reading/external references**

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- 10.1 None.

## **11. Appendices**

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Appendix 1 – Interim Operating Model Options

Appendix 2 – Museums and Galleries Current Income Projections

Appendix 3 – Museums and Galleries Current Operating Arrangements

Appendix 4 – Museums and Galleries Transformation Update

## Appendix 1 – Interim Operating Model Options

Model	Summary	Pros	Cons
1	<p>This proposes a seasonal model – opening 5 days per week (Wednesday – Sunday) during the winter months (October – March) and seven days per week in the summer months (April – September).</p> <p>A core team would be retained throughout the year, supported by seasonal recruitment for the service during the summer months.</p>	<p>This approach has no impact on colleagues' terms and conditions, would enable all venues to remain open throughout the year and at times when residents and visitors want to visit, and will support the Council to achieve its net zero ambition.</p>	<p>This option does not enable the service to achieve a balanced budget in isolation and will require further engagement with colleagues as the proposed opening hours may require a change in fixed days off.</p>
2	<p>This proposes that all Council museums and galleries open six days per week throughout the year (Tuesday – Sunday) with no seasonal variation.</p>	<p>This provides consistent opening hours throughout the year and would enable all venues to remain open. It would also make a small contribution towards the Council's net zero target.</p>	<p>This option does not enable the service to achieve a balanced budget in isolation and would impact colleagues' terms and conditions as working patterns would need to be amended to reflect the six day model (currently colleagues work five days from seven). This is also likely to affect colleagues fixed days off.</p>
3	<p>This proposes reduced daily opening hours (proposed as 11am – 5pm rather than 10am – 5pm) with no season variation.</p>	<p>This would enable all venues to remain open and would provide consistent opening hours throughout the year. This also provides a greater financial saving to meet the service pressure.</p>	<p>This option does not enable the service to achieve a balanced budget in isolation and would impact colleagues' terms and conditions as reduced opening hours will impact on the salaries of colleagues.</p>



## Appendix 2 - Museums and Galleries Current Income Projections

Business Area	FY24/25 to date	FY24/25 – revised projection/forecast ( ) = original	FY 25/26	FY 26/27	FY 27/28	3 Year Projection Total
Visitor Numbers	310,000		600,000 (400,000)*	700,000 (475,000)	800,000 (550,000)	-
Donations	25,000	45,000	150,000	250,000	300,000	700,000
Venue Hire			30,000	35,000	40,000	105,000
Retail	205,000	400,000 (430,000)	400,000**	425,000	450,000	1,275,000
Rental (Mimis and science festival)	73,000		80,000***	80,000	80,000	240,000
Admissions	178,000	140,000 (233,000) Scott 150,000 (138,000) Nelson	350,000	400,000	450,000	1,200,000
Temporary Exhibitions admissions						
<b>TOTAL</b>			<b>£1,010,000</b>	<b>£1,190,000</b>	<b>£1,320,000</b>	<b>£3,520,000</b>

\*adult visitor estimate

\*\* with new Childhood Museum and Museum of Edinburgh pilot models. Anticipating MoE retail income will double current income and counter the reduced retail offering in Childhood. Additionally the introduction of retail income at Scott and Nelson which is estimated to be £90k each at £2 spend per head at current visitor figures (the equivalent to the current income for Childhood and Writers combined from two focussed small retail offerings in the monuments)

\*\*\*factoring in science festival income, increase in Mimi's income through events and additional income from additional catering outlets

### Appendix 3 - Museums and Galleries Current Operating Arrangements

Venue	Floor Space	Visitors/year (2023/24)	Lift Access	Public Disabled Access
City Art Centre	5,029	85,080	yes	yes
Museum of Edinburgh	1,631	121,503	no	no
Writer's Museum	413	129,621	no	no
Museum of Childhood	1,023	139,276	yes (galleries 1-3 only)	Partial
People's Story	537	55,529	No	No
Queensferry Museum	83	3,769 (3/4 year)	No	No
Collections Centre Broughton Market	932	195	No	Ground Floor

# Museums and Galleries Transformation Update

Culture and Wellbeing, Place

December 2024

## 1. Introduction

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- 1.1 This note updates Committee on progress with the Museums & Galleries transformation programme, including plans to build a new collections centre, engage more effectively across the city, generate more income, and improve the existing estate.
- 1.2 An interim operating model for Museums and Galleries is proposed to maintain access to museums and galleries while the transformation programme is finalised.

## 2. Background

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- 2.1 On 7 December 2023, Committee approved (with amendments) a report on the New Collections Centre and Museums and Galleries Transformation programme. The report can be found [here](#).
- 2.2 The transformation programme is urgent and necessary. A recently published sectoral survey (Review of Culture and Leisure Services in Scotland, August 2024) presents the context: *'this latest analysis paints a very challenging picture for culture, sport and leisure services. Sector leaders spoke of their concerns that the current landscape is no longer sustainable, and that long term funding reductions have now meant that there is little left to do other than withdraw services and close facilities. With the pressures facing local government likely to continue, this need for transformational change is ever more urgent. In considering future options, it is important to remember how much these services matter. The wellbeing benefits of participation in culture and sport and leisure are now well established, and it was to culture, and sport and leisure that many people turned to during the worst of the pandemic. These services clearly matter to people and to communities and their value considerably outweighs their cost (culture and sport and leisure typically account for only a small proportion of overall council budgets'*

### 3. Main points

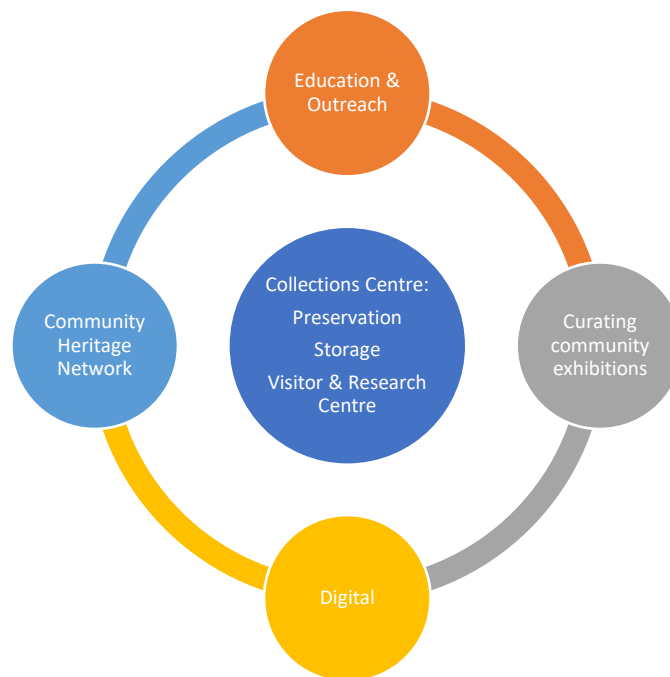
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- 3.1 Through staff engagement sessions and regular meetings of the New Collection Centre/Museums and Galleries Transformation Group a vision has been defined: to transform the telling of Edinburgh's story through its art and artists, historic heritage and cultural collections, museums and galleries, city archives, partnerships and engagement.
- 3.2 The scope of the project involves bringing together the collections of objects and materials from Museums and Galleries (currently Broughton Market, Abion Road and other locations), City Archives (Murrayburn) and the Libraries Learning Resource (Peffer Place) and refocus the Museums and Galleries service to provide the skills, business model and facility to create:
- 3.2.1 **An accessible service.** A 'hub and spoke' model will offer wider public access to the City's collections in more areas, delivering outreach work in association with our 20-minute neighbourhood strategy through working with libraries, schools and community centres. Development of digital resources will increase access locally, nationally and internationally. Investing in fewer, but higher quality, museums and galleries will create accessible, engaging and sustainable spaces for residents and visitors.
- 3.2.2 **A collaborative service.** By adopting the hub and spoke collections model the service will collaborate with local networks of art, history, literary and heritage groups, as well as forging national and international relationships, to encourage a 'wee museum' or 'museums without walls' concept that tells local stories and how they relate to the wider world in community settings. Housing various collections in one place allows for inter-disciplinary projects to develop.
- 3.2.3 **A resilient service.** A new facility will merge various collections, protecting the past and collecting for the future and has the potential for retail/leases and housing on site. It will allow for a refocus of the Royal Mile offer and a dynamic income generation drive that will support savings as well as investment in the service. An income strategy for charging, donations, philanthropic giving, grants, and retail will be developed. Increased cultural and commercial use of Lauriston Castle and the City Art Centre underpin this strategy.
- 3.3 While there are numerous dependencies, the project is being worked on across three programme areas: a new collections centre, income generation, and redesigning the offer across the existing estate. Each programme has a lead officer assigned to it and a Senior Change and Delivery Officer was appointed in October 2024 to support the overall project.

#### **New Collections Centre**

- 3.4 The preferred option is to create a new collections and archives centre that can preserve and tell the city's story through its collections and archive materials from Museums and Galleries, City Archives and Libraries. Operating as a visitor centre,

storage facility and hub for networking across the city it will connect citizens with the city's past, present and future, offering the widest possible access to our archives and collections, and support a more dynamic offer in a redesigned museum and gallery estate.



- 3.5 Creating a new Collections Centre and redesigning the delivery model of related services offers mix of potential benefits that run through the Council's strategic narrative. One of the key drivers has been the ambition to ensure that access to services is spread more widely across the city articulated in the Council Business Plan and both the Culture and 20 Minute Neighbourhood Strategies.
- 3.6 Space for affordable housing and lease income can be achieved through rationalising the wider estate at Murrayburn, sale of the existing Collections Centre, re-design of existing museums, and incorporating housing into a new Collections Centre design.
- 3.7 **Key Updates:** a preferred site has been identified at Peffer Place on an existing transport depot site which is due for closure. Craigmillar and Niddrie are undertaking locality plans, and a new cultural facility can enhance these areas economically and socially. Initial architectural studies have been carried out, resulting in a Masterplan Feasibility Report for the Peffer Place site, and a design feasibility study to identify the space and resource requirements from the service areas in scope. The latter document aims to provide an indicative cost of the collections centre.
- 3.8 Finance and Resources Committee considered a report on 19 November 2024 which highlighted the development of a business case for a new Collections Centre to be considered as part of the Council's budget setting process for 2025/26 and beyond.

## **Income Generation**

- 3.9 A report was commissioned in the autumn of 2023 and was included in the December 2023 report. Amendments to that report qualified the scope of admission charges to museums and galleries, ensuring that access remained free to residents and those that need it the most as the area with the most income generating potential centred on this.
- 3.10 Local Authorities do not have any statutory powers to introduce charges by the Public Libraries Consolidation (Scotland) Act 1887 ("1887 Act"), and the Museums and Galleries Admission Charges Act 1972 ("1972 Act"). A letter was sent to the Cabinet Secretary for Constitution, External Affairs and Culture requesting a review of this, but the response outlined the Scottish Government's positions against this. A follow up letter was sent recently asking to review that position again.
- 3.11 **Key updates:** Officers, supported by the Senior Change Delivery Officer, have progressed other areas of the recommendations and in the coming three years have set an ambitious target of generating new income and reshaping existing strands. This will be achieved through focussing on three specific areas: contactless and cash donations (contactless donation units are on order, a marketing and communication campaign has been commissioned alongside staff training), retail (ensuring that retail services achieve an income surplus), and room bookings for spaces within the service (predominantly from City Art Centre's 5<sup>th</sup> Floor and Museum of Edinburgh rooms).
- 3.12 New income will not be achieved without investment and officers are preparing a spend to save report to ensure that future targets are met by increased marketing, new staff and training programmes, a new website and room booking system, extending cultural venue ICT solutions to sell tickets to temporary exhibitions and donate, and retail experience outlay costs.
- 3.13 The City Art Centre now charges for the majority of temporary exhibitions (i.e. ones not related to the City's Fine Art Collection) and has one major, charged, temporary exhibition in 2025 (John Bellany). As reported in a previous business bulletin, a portion of this income is now ring-fenced within the Special Exhibitions Fund to support future plans.

## **Museums and Galleries Estate Redesign**

- 3.14 Officers have progressed with plans to reshape the city's museums and galleries estate. An initial meeting has taken place with the National Heritage Lottery Fund (NHLF) and the plan is to submit a project development to its grant schemes by February 2025. A successful application would aim to provide funding for specialist support to scope and develop proposals, public consultation, business cases, and fundraising. It would also address sustainable transition plans to be developed for the existing buildings should they not form part of the preferred solution.
- 3.15 The plan is to use the Development Phase (supported by NHLF) funding to consult and engage with the city's communities to ensure that historical and

contemporary narratives are represented, supported by learning and engagement activities, ensuring that the story of the city and its people are told in the best environment and to the highest standards for visitors (through community engagement projects supported by the Collections Centre and in accessible and sustainable museum and gallery building/s).

3.16 The review will also consider the financial viability, accessibility and sustainability of the existing estate.

## 4 Contact details

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