

**BRISTOL CITY COUNCIL
CABINET
9 MARCH 2006**

Report of: Director of Culture and Leisure Services/Director of Neighbourhood and Housing Services (on behalf of Performance Appraisal Group)

Title: MUSEUM OF BRISTOL

Ward: Cabot

Officer presenting report: Stephen Wray, Director of Cultural & Leisure Services
Culture and Leisure Services
Ian Crawley, Director: Neighbourhood and Housing Services

Contact telephone number: (0117) 922 3100

RECOMMENDATION

That cabinet approves the submission to the Heritage Lottery Fund (HLF) of a Stage 2 application for the Museum of Bristol at a cost of £18.6m and an application for planning approval in the context of:

- a) the allocation in principle of capital match funding to complete the project of £5.47m**
- b) a proposed revenue budget which contains spending within existing Museums, Galleries and Archives allocations (including Renaissance in the Regions programme)**
- c) a report back to cabinet in September following the HLF decision and planning outcome.**

Summary

This key cultural project is at a critical phase with a design scheme developed and a bid to the main funding body ready to take place.

The project will lever in over £13m (non BCC) into this capital scheme. Bristol City Council was contracted to the Heritage Lottery Fund to submit a detailed bid on June 30th 2005. Following negotiation a final date for submission has been agreed for 24th March 2006..

The project budget for the Museum is £18.6m. A successful Stage 2 HLF bid will result in further £11.13 m toward the Museum project and we have secured £2m from other sources.

The significant issues in the report are:

- A summary of the Museum of Bristol stage 2 bid
- A financial (capital and revenue) summary of the Museum Project Consultation and changes to the project brief

Policy

1. Corporate Plan - The Museum of Bristol is identified as a key major development project in the plan and alongside the Colston Hall as improving the cities cultural infrastructure and having beneficial economic effects.
2. The City Centre Strategy – The revised strategy for 2005-10 has just been published as a draft for consultation. The Museum is identified as one of the final parts of the Harbourside regeneration
3. Sub-regional Vision – the proposed scheme is in keeping with the vision for the West of England partnership that calls for the development of cultural attractions in Bristol by the year 2026 that are the envy of competitor city regions across Europe.

Consultation

4. The project has engaged with stakeholders to develop a scheme, which addresses the needs of the city. Consultation and participation has ranged from the general public to key groups whilst maintaining clear links within the city council.

Internal

5. C&LS Finance, Property Services, Legal Consultant, Harbourside Project Team, Planning (Development Control) Elected Members, Project Appraisal Group

External

6. Museum of Bristol Steering Group,
MoB invited Consultation events on the 14th March 2005 and 18th April 2005,
Bristol Magpies,
Harbourside Design Forum
Harbourside Sponsors Group
Civic Society
Heritage Lottery Fund
Bristol Physical Access Chain
English Heritage
20th Century Society
Bristols Threatened Heritage Group
Princes Wharf Action Group
Volunteers at Industrial Museum

7. A steering group was set up in October 2004 to oversee the development of the project. Its remit was to ensure the project kept to its overall objectives, to challenge and bring ideas and also to champion the project in the community. The steering group membership consisted of:

Cllr Anne White
Madge Dresser (UWE)
Alec Coles (Director Tyne and Wear Museums)
Peter Courtier (Former Director BREC)
Derrick Price (Chair of Watershed)
Diane Bunyan (Former Leader of the Council)
Anna Southall (Board Member Big Lottery)

8. The steering group has recently been strengthened by being Chaired by Cllr Simon Cook and the addition of all party members. It has also incorporated the Chair of the Magpies (and PWAG member) Mary Bailey as well as two other PWAG members. David Mellor of Alec French Architects now also gives support. The full steering group list is now:

Cllr Simon Cook (Chair)
Cllr Anne White
Cllr Richard Eddy
Cllr Linda Salter
David Mellor (Alec French Partnership)
Madge Dresser (UWE)
Derrick Price
Peter Courtier
Diane Bunyan
Andy Foyle (PWAG)
Sue Thurlow (PWAG)
Mary Bailey (Bristol Magpies)

Anna Southall has resigned from the steering group since becoming chair of the Living Landmarks Fund.

9. A careful and long-term consultation and participation strategy for the scheme has been carried out. We have engaged with users through collecting local peoples memories, and the Real Lives Real Objects project in the Museum. We are continuing to develop user led projects in the Museum (See me, Hear me, Follow me) with the Community History Team and scheme progress has been shared with stakeholders at workshops. Several staff workshops have been organised to make use of the

operational experience of many of those within the Museums service. We have also promoted the project at many groups and meetings within the city to increase awareness and build support.

10. A special access reference group has been convened and facilitated by a consultant advisor who is a permanent member of the design team. This reference group includes people with a range of sensory and mobility impairments who advise on the design development and access issues present in the proposed schemes.
11. As our first ideas for the building and content developed a special invited event and exhibition was held at L Shed. Over 80 stakeholders came along and had a chance to hear and talk with the project team, the design team and the steering group. Comment cards were included and the results were overwhelmingly positive.
12. A programme of public consultation on the scheme design was carried out during the Summer of 05 including a major exhibition held at the Architecture centre in August. This exhibition (alongside the Colston Hall redevelopment) was the centre's most visited event in its history. Visitors recorded their comments in a book, and these tended toward the very positive or very negative. Overall from the comments at the exhibition there was a 60:40 split between those who favoured the designs and those who did not.
13. A leaflet with comment cards was produced as part of the exhibition and a large number were returned. Again there was a high level of disparity of enthusiasm one way or the other. It was clear that those who responded either loved or hated the design, and a similar ratio of responses was obtained.
14. The culmination of the consultation exercise was a public meeting with a panel of experts available for questioning on the project. Significant adverse publicity for the design had been generated in the media and this resulted in a very high turnout. The majority opinion from the floor was against the design proposals.
15. Other issues included: The lack of a clear BCC approach to the re-housing of Engines, volunteer facilities and the long term viability and support for these aspects of the service. Equally valid was the concern over Princes Wharf as the "last remaining working part of Harbourside".

Context

16. The new Museum of Bristol will be one of the most significant cultural projects for many years in Bristol. The project is the product of public concern that the city's museums do not reflect Bristol's long history. The project has secured local and national support in the form of development funding from the Heritage Lottery Fund and the City Council.
17. The vision for the Museum of Bristol is to tell the history of Bristol through the city's collection of objects and the story of its people. It aims to engage, inform and delight visitors by providing a place where they can learn and be inspired by the stories that can be told through Bristol's collection of objects, paintings and Historical objects. We will explore "what makes Bristol *Bristol*" and ensure it becomes a place of debate about the city "past, present and future".
18. The Museum of Bristol was one of the key features of Bristol's bid to be European Capital of Culture in 2008.
19. Bristol's Museums Galleries and Archives Service is part of a regional Hub which has attracted significant central government resources since 2003 contributing over £1m annually. The Renaissance in the Regions Programme now accounts for 40% of the total Museums Service budget and is focussed on increasing audiences.
20. The Museum will be on the site of the existing Industrial Museum (M Shed) which was converted from a transit shed in 1979. The existing museum is in dire need of both exhibition and building upgrades. It fails to meet DDA standards, building and environmental requirements, customer needs and current museum standards. Unless investment is made the museum will need to close in the foreseeable future.
21. L Shed (the adjoining transit shed) has had minimal intervention and improvements. The ground floor acts as a commercial venue and the first floor as the Museum store.
22. One of the main challenges for this project is to bring new audiences to museums. It will exploit the possibilities afforded by new technology in order to make visually attractive and engaging exhibits. It will reach out to constituencies who have traditionally felt excluded from the world of museums and galleries.

23. The current Industrial Museum attracts approximately 120,000 visitors p.a. the new Museum is projecting between 200,000 and 250,000 visitors to the site every year based on a six-day opening.
24. In September 2003 Cabinet accepted the stage one award from HLF for the Museum in 2004 of £853,000. This is match funded to £1.4m and allows for development to detailed designs and proposals to an agreed total project cost of £18.6m
25. LAB architects, responsible for the groundbreaking Federation Square in Melbourne were recruited through a competitive procurement process and head up a team of experienced consultants including Arup Engineers, Davis Langdon Cost Consultants, and Atelier 10 Environmental Consultants.
26. A scheme was developed by the LAB Architecture Studios from November 04 to July 05 in partnership with the City Council and Museum of Bristol Steering Group. Following consultation in the Summer of 2005 key changes were made to the brief (detailed below) which has resulted in an alternative scheme being developed.
27. The Council is now in a position to submit an application to release the stage 2 funds of £10.2m. To enable this we must have firm commitment from the City Council that match funding will be made available. The HLF should make their decision and offer of funds in September 2006. The Cabinet will have to consider at that point whether to accept the offer and fully commit the capital funds.

Changes to the Brief

28. Following the Summer consultation it was agreed to revise the project brief, summarised as:
 - Inclusion of engine sheds and workshop facilities
 - A total project budget of £18.6m
 - Optional development on roof depending on capital cost
 - A conservation approach to the treatment of the waterside façade
 - A scheme dealing with the whole of L&M sheds
 - The retention of current uses within L Shed
29. The Steering group subsequently ratified the brief.

Proposals for Museum of Bristol

30. A scheme has been designed which meets the requirements of the HLF, the needs of the brief and is supported by the steering group, officers and Executive members.

Exhibition space

31. The Museum of Bristol will provide 2500m² of new exhibition space on three floors. These will provide an opportunity to put a wider selection of Bristol's history on display from vehicles to costumes. A panorama gallery will make the most of views across the city and the museum will culminate in a rooftop gallery with views over the city centre and access to a roof terrace.
32. Museums Galleries and Archives will be seeking sponsorship and other funding to enhance the exhibition fit out budget and ensure we have displays fitting for the audience and the city's aspirations, for example, a partnership with the Empire and Commonwealth museum to transfer part of their major new slavery exhibition after 2007.

L Shed

33. The Museum of Bristol project originally covered only the Industrial Museum on Princes Wharf and did not include the development and refurbishment of L Shed. The ground floor of this part of the building is a popular facility on harbourside providing a flexible community "space" which can be transformed from theatre to cinema, from market to trade fair. We will work with other cultural facilities in the city centre to develop a business model which can provide for a sustainable future for L Shed.
34. Expenditure to L Shed will be included as a starting point to facilitate future capital development. At this stage we are only seeking to address basic enveloping and environmental requirements. Such as replacing the waterproofing of the roof, increasing insulation and repairing the doors to the waterside façade.

Storage

35. Following consultation we will be retaining for long term use the upper floor of L Shed, which contains many thousand of museum objects in storage. Effectively this will be the Museums service main store but will concentrate on Bristol related objects and develop its role in "explaining" Bristol history.
36. A strategy for Museum storage is required by HLF as part of the stage 2 bid and additional long-term storage is needed to relieve

pressure on the Museum Galleries and Archive service. Short-term storage of objects currently on display at BIM and in store at L Shed is necessary to allow for building works. We will seek to accommodate these within L Shed (which will therefore close for 18 months) thus reducing project costs incurred by other temporary storage.

37. Following a feasibility study, A Bond (A Bond is currently empty and its long-term use has not yet been determined by the city council) proved a too expensive and complex solution for long-term storage. We are exploring the potential for greater use of B Bond where our current Records Office and Archive storage is based.

Harbourside Railway

38. The City Council is committed to continuing to run the Harbourside railway and using the Museum of Bristol we will seek ways to expand its role in helping to tell the story of Bristol and its port. The engine shed which now forms part of the storage for the Harbourside railway is included as part of the ground floor display gallery. Suitable workshop facilities are also included.

Princes Wharf

39. Princess Wharf is a “working” wharf in the sense that the industrial infrastructure of the dockside remains in situ and is maintained and used as a heritage attraction. Cranes, trains and boats are all part of this scenery and the council is committed to continuing that service. To do so we need to provide operational bases for the volunteer workforce and materials including workshops and engine sheds. Operating and supporting this service was not part of the HLF project however following consultation we have now included those elements within the revised scheme.

Rooftop Development

40. The second floor will include a major gallery space for temporary exhibitions, which provides the opportunity for visitors to get onto the roof and enjoy the fantastic views. This gallery will be a vital and continuing draw for the museum encouraging repeat visits with a programme of national and international touring exhibitions.
41. Included within the design is a rooftop space for events such as corporate hire, conferences, weddings etc. The business plan includes a substantial revenue income from this space.

External Treatment

42. Public concern focussed on the external treatment of the redevelopment particularly the loss of the metal doors on the waterside façade. There were several reasons for the original concept of replacing the doors: the doors were not an adequate weather seal for a museum, they did not allow views in or out of gallery space and were expensive to repair and conserve. However the case for retaining the doors has been extensively made and supported by Planning and English Heritage. The new scheme therefore includes all of the existing doors on the North façade.
43. The majority of the north (waterside) façade on L and M Sheds will be retained as is except for repairs to the frame and infill where necessary. In the Museum new glazing will be inserted at the central entrance and behind the original metal doors. Other facades on M Shed will be adapted as needed to meet museum standards.

Business Plan

44. The Business Plan accepted by HLF at Stage 1 has been modified for Stage 2. Assumptions regarding expenditure and income have been prepared showing the likely revenue expenditure in the first full year in the region of just over £1m. (Current Industrial Museum revenue is £330k) Significant contributions toward this cost will come from earned income (conferences, retail, café), sponsorship and the Renaissance programme. The balance of funding will be provided by the Museums service following a review of the service by the new management team leading up to 2009 redirecting staff and resources to the new Museum. In year three we expect to make a surplus, which can be used to offset the Renaissance funding.

Programme

45. As previously agreed, aiming to complete the Museum in early/mid 2009:

Application for Stage 2 funding	March 2006
Procurement of Contractor:	
OJEU Notice	March 2006
Application for Planning Approval	April 2006
Achievement of Planning Consent	Aug/Sept 2006
Outcome of HLF decision	Sept 2006
Procurement Of Contractor:	
Selection of preferred contractor	Sept 2006
Cabinet Report on HLF decision	Oct 2006

Closure of BIM and LShed	Oct 2006
Relocation of Museum items	Oct – Jan 2007
Procurement of Contractor:	
Contract negotiation	Dec - 2006
Start on Site	March 2007
Completion of construction	Dec 2008
Exhibition fit out	Jan - April 2009
Testing	May –June 2009
Opening	July 2009

Economic Impact

46. A report commissioned from DCA Associates confirmed the economic benefits the new Museum will have. These are substantial in both direct and indirect means including the initial capital outlay (which levers in £13m - non City Council money). The new Museum will attract high visitor numbers in conjunction with other Harbourside attractions, increasing the long term viability of the city centre.

Sustainable Development

47. Achieving the highest possible standards of sustainability in conception and design is an aim of the project.
48. Best environmental practice will be adopted and the building will seek to make best use of the site and existing building to maximise daylight, arrange accommodation in the most efficient way and reduce the need for overt heating and ventilation. Minimising energy usage and long term maintenance will be a key driver in our business plans and reflected in the strategic choice of materials and plant. A displacement air system supported by an “adiabatic” heating and cooling mechanism will provide the highest level of sustainable environmental controls minimising energy use.
49. A visitor transport strategy has been prepared for the Museum which balances the needs of the business with aspirations of the emerging joint local transport plan, to do this we will work closely with other attractions around the Harbourside and the city centre.

Other Options Considered

50. A joint development partner to undertake commercial development opportunities and the construction of the museum was considered. However the restrictions and risks to the project of this approach were too great.

51. The Cabinet looked at six options in 2002 in order to address the shortcomings and potential of the existing building and collection. The option of developing the Museum of Bristol was accepted as returning the best value for the City.
52. Four remaining options have been outlined below (not including the scheme within this report)

Option	Issues	Outcome
Update existing Industrial museum and Collection	Would not meet agreed HLF/City Council objectives, therefore would not attract HLF funding and would cost city council more – in the region of £9m (ABL Options Report 2002) to bring the building up to current DDA and Building Standards,	Carry on with MoB vision
Complete scheme within existing building (ie no extension on roof)	Reduces storage available and necessitates using external store at greater cost of transportation and hire (£2.5m current estimates for storage and transport) Loss of ground floor L Shed for community use, loss of Income, loss of public support. No opportunity for revenue providing rooftop function suite	Keep mainly within M Shed and use rooftop
Cease MoB project	Leaves existing problems un-addressed Agreed corporate priority Attracts significant investment (£13m Non BCC) to City Centre Loss of public regard Potential loss of any future investment by HLF	Carry on with MoB
Move project to another site	Project based on reuse and interpretation of this site Would place future of Princes Wharf in jeopardy, leaves existing problems un-addressed Additional costs for developing another project	Project remains at Princes Wharf

Risk Assessment

53. A risk assessment has been completed for the project and a summary of the major risks is detailed below.

54. The main risks of not agreeing to the recommendations of this report are as follows: -

Failure to submit this funding bid to HLF as agreed by the 24th March will result in HLF reallocating the £11.13m to other national projects and the consequent collapse of the scheme. Failure to deliver a key project agreed within the Corporate Plan. Loss of confidence in the City Council to deliver significant visible benefits to the city.

A delay in agreeing the project may result in a delay in start on site and a consequent increase in costs due to building works inflation (currently 5% pa).

Further revisions to the brief or modifications to the design as well as resulting in a delay will incur further fee submissions.

Deterioration of L&M sheds and the Industrial Museum as a building and the artefacts and exhibitions contained within. The Museum has become less attractive to visitors and improved access is required by DDA. Most or all of the proposed Capital Allocation (£5.47m) will still need to be spent.

55. The main risks of agreeing to this course of action are as follows:-

HLF agreement to Stage 2 may result in additional requirements in capital and revenue.

Procurement of contractor and contract price may result in alterations to the capital budget.

Planning application and approval may result in alterations to the current scheme which could have capital and revenue implications.

Changes due to unforeseen circumstances such as existing building and ground conditions can have major impact on costs. Sponsorship and other additional revenue contributions are best estimates at this stage.

£10.2m of HLF funding is subject to the successful Stage 2 application.

The Renaissance in the Regions money is not guaranteed and is dependent on a two year cycle Business Plan and funding bid.

56. The action taken to mitigate these risks is:-

Management of project to ensure value for money in meeting the brief and needs of users within reasonable project values, and working with our Cost Consultants to reduce investment and control capital costs. Linking with the Colston hall redevelopment to seek added value in management and procurement.

Loss of the Renaissance funding would require a fundamental reassessment of both the Museum of Bristol and the total Museum service.

Changes to revenue will be accommodated in a review of the Museums Galleries and Archives service budgets.

Equalities Impact Assessment

57. These schemes have emerged in direct response to increasing our commitment to more diversity and reaching wider audiences. Existing provision results in a differential impact and we are developing our content and exhibition displays to counteract the differential. The learning and audience development strategy within the Business plan shows how we will seek to attract and engage new audiences, in particular BME communities, disabled people and young people.
58. Consultation has been undertaken with various forums and we are reflecting this work within the Content development Plan

Legal and Resource Implications:

Legal By approving the Museum of Bristol Stage 2 Submission the Cabinet is not binding itself to any legal commitment. Accordingly there are no legal implications in providing such approval

Legal advice given by: Philip Griffiths, Project Solicitor, Alderwicks Solicitors.

Financial

Revenue In return for capital investment HLF are expecting an increase in annual revenue support to the new museum by the City Council. Previously this had been shown as a revenue pressure in the MTFP.

Additional revenue costs of £413k are now being funded from the Renaissance Programme and redirecting expenditure on other areas of the Museums Service budget.

The business plan (attached) has been revised and the revenue projections to reflect the reduced revenue requirement. The reduction has been achieved by reducing staffing levels and reducing opening days from seven to six days a week.

Areas of financial risks and exposure identified are set out below:

Renaissance

Funding The revenue viability of the project is based on a high level of this grant support (Representing approximately 40% of the total revenue funding required) The project therefore will be vulnerable to any reduction in the grant levels forecast

Renaissance provides a major part of total funding for the museum service as a whole. Unless the overall grant increases to accommodate the new museum the grant monies would have to be diverted from other museum objectives or additional City Council funding would have to be applied to retain current levels of service:

Staff level The staff levels now proposed are considered to be at a minimum level by the Director of Museums and the operation of the Museum will be dependant on a successful restructuring of the Museum Service as a whole to achieve higher levels of staff efficiencies through more flexible working practices

Income projections

Projected income of £340k for conferencing, catering and retail are based on mid-case scenarios eg conference use. This is a reasonable estimate and if occupancy improves to a best case scenario of 50% this will generate

increased revenue of 90k with only marginal increases in cost. A reduction to 20% occupancy would reduce income by £90k which would require service reductions to contain expenditure within budget.

Capital £9m prudential borrowing has been made available for the Museum of Bristol and the Colston Hall redevelopment. Current calls for this funding from the Colston Hall are estimated at £1.4m, which in turn is based on predicted land sale receipts of £11.6m. The actual level of prudential funding available for the MOB will therefore be largely dependent on the predicted proceeds being realised. In addition a further £2m of cost has been identified for the Colston House accommodation move that may further affect the level of prudential funding available.

The budget of £18.6m is £100k above the capital programmed provision, which will have to be provided for in the next review of the programme.

Building costs are based on designs and specification to RIBA Stage D estimates prepared by Davis Langdon Cost Management.

The planned financing for the project is:

	£000
Project Cost	18,600
Financed by:	
Heritage Lottery Grant	11,130
Imperial Tobacco	250
S106 Leisure Levy	1,750
Sub Total	13,130
BCC contribution required	5.47

Financial advice given by: Mike Harding, Finance Manager, Culture and Leisure Services.

- Land** All land is in the ownership of City Council
- Personnel** None at present - further reports will be necessary when operation plans are developed
- Appendices:** Appendix A - Capital Cost plan
- Appendix B - Business Plan, Revenue Assessment
- Appendix C - Risk Log
- Appendix D – Consultation Summary
- Appendix E - Plans for Museum of Bristol

ACCESS TO INFORMATION
Background Papers - None

Capital Cost Plan – Draft Feb 2006

MUSEUM OF BRISTOL	
Cost Estimate - LAB Scheme - February 2006	
	£
Demolitions / Alterations	290,000
Building Works	7,887,000
External Works	275,000
Fit-out - shop	50,000
Fit-out - café	50,000
Fit-out roof - level function space	100,000
	<u>8,652,000</u>
Revised Sub total	8,652,000
MC Preliminaries @ 15%	1,250,000
Design Reserve @ 5%	420,000
Contract Contingency @ 5%	420,000
Estimated cost @ 1Q2005	<u>10,742,000</u>
Allowance for Exhibition fitting out	3,000,000
	<u>13,742,000</u>
Inflation allowance - building (9%)	964,980
Inflation allowance - exhibition	-
Estimated out-turn cost	<u>14,706,980</u>
Non-museum works (L Shed)	400,000
BCC costs	3,500,000
Total	<u><u>18,606,980</u></u>

Note

Cost plan estimates based on RIBA stage D scheme V73+. Cost plan estimates by Davis Langdon.

Financial Assessment: Revenue

Revenue Income

The Museum of Bristol will be a free museum and therefore there will not be any income derived from admissions. Income will be made primarily from earned income and increased sponsorship. The main source of earned income will be derived from secondary spend and the hire of the venue.

These can be classified as:

- Conferencing/Function Facilities
- Café
- Gift shop

Conferencing/Function room Facilities

The proposal includes the provision of conferencing and function facilities on the rooftop providing 366 sq m and the foyer area providing an additional area of 277 sq m. The proposed design of the conference facilities indicates a very attractive harbourside venue capable of competing with other City Centre facilities, based on the location and the uniqueness of the building.

Café

It is proposed that the café area providing 140 sq m will be located on the ground floor and that the café will be a franchise, whereby a rental charge or splitting of the profits system will operate.

Gift Shop

A shop located on the ground floor is also included in the proposal providing 48 sq m and it is anticipated that it will be run directly by the City Council. It is envisaged that the income generated from the shop will be further increased due to the Education Service and the increase in school groups.

Sponsorship and donations

Fundraising for this high profile venue will be one of the priorities for the new Assistant Director, looking for new sources of income and also using our close and valued network of supporters. We will be setting a target for either the existing or a new "friends" group which is comparable to the amounts currently achieved at CMAG. As the City museum collects circa £13,000 per annum it is reasonable to assume that £10,000 will be raised per year through a range of collection boxes.

Costings

Conferencing/Exhibition Facilities

An exercise was carried out to ascertain the potential income that could realistically be generated from the proposed conferencing facilities. The outcome indicated that

there was a lot of existing competition within the City Centre, the main competitors being:

- @ Bristol
- The University of Bristol
- Major city centre hotels

Feedback indicated that accessibility and parking were critical factors, as well as providing an attractive venue, but the success of the venue will be determined by the way it is marketed, the flexibility of functions that could be held at the venue and the achievable occupancy.

- Projections assume that a commission of 15% will be earned on catering income from conferencing facilities.
- Income is shown net of staffing. Any new staff would enhance our current marketing team.

Key Assumptions for Revenue Projections

Suggested Conference Rates, occupancy and projected business growth

Main conference area 366sq m		
Rate per day		
		Notes
Base rate/day	£1750	Pitched below @ Bristol slightly higher than major City Hotels. Council House £110 per hour.
Less: limited use factor (10%)	£175	Some limitation for Museum
Proposed rate used	£1575	(Rounded to £1600)
Occupancy		
Best case scenario	50%	Very high level of success but below reported by @ Bristol (based on a 6 day week)
Worst case scenario	20%	Below 50% figure quoted by some operators as being measure of success
New business start up factor		
Yr1	50%	Element of targeted business achieved in yr1
Yr2	75%	Element of targeted business achieved in yr2
Yr3	100%	Element of targeted business achieved in yr3
Foyer area 191sq m and 142 sq m		
Rate per day		
		Notes
Base rate/day	£1400	Pitched 20% below main conference area
Less: limited use factor (15%)	£210	More limitations than main area
Proposed rate used	£1190	(Rounded to £1200)
Occupancy		
Best case scenario	30%	Pitched 20% below main conference area
Worst case scenario	15%	Pitched 20% below main conference area

New business start up factor		
Yr1	50%	Element of targeted business achieved in yr1
Yr2	75%	Element of targeted business achieved in yr2
Yr3	100%	Element of targeted business achieved in yr3

Café

It is envisaged that the Café will primarily target visitors to the museum, as well as passing trade. Financial projections are set below in Section B. The figures are based on the following assumptions:

- Visitor numbers – as below
- Spend per head is £1.25
- Franchisee and BCC profit split is 50:50
- Gross profit taken at 60%
- Staff costs and other overheads taken at 20%

Retail

The shop will be run by the museum and again the income generation will be largely determined by the number of visitors and in particular school children visiting the museum. It is assumed that it will continue to sell merchandise similar to that of the existing Bristol Industrial museum but also a wider range of gift and novelty items.

Financial projections are set below in Section B: The figures are based on the following assumptions:

- Visitor numbers – as per section A
- Gross profit on retail sales are taken at 50%
- Two staff required to operate the shop and we will utilise the front of house staff as the information point is combined with retail unit.

A comparison with the existing shop at Queens Road shows that the projected income is set at a reasonable level.

Trading income CMAG shop	
Year	Net Profit £
2003/4	74,779
2004/05	55,079

Section A: Projected Visitor/User Numbers

To generate a sensible projection of visitor numbers we began with an analysis of the Bristol Industrial Museum – recorded visitor numbers.

Year	Number of Visitors
1997/98	55,860
1998/99	89,752
1999/00	96,946
2000/01	117,468
2001/02	115,029
2002/03	110,609
2003/04	141,693
2004/05	150,130

The assumption is that the

sudden surge in 1998/99 was a direct result of the re-instatement of free admission. The figures between 1998/99 and 2004/05 show an annualised increase of approximately 11%.

The national trend has however experienced a decline in the number of museum visitors over a similar period, due to less people going on domestic holidays and increased competition in the leisure market. In order to be prudent it is therefore proposed that the following visitor numbers are reflected in the projections.

It is also assumed that the first year of opening (2009/10) would attract more visitors and that this would level off over the following years

Visitor Numbers		
	Best Case Scenario	Worst Case Scenario
Prior Years to Opening	5.5%	2.6%
Year 1 (2009/10)	20%	10%
Following Years	5.5%	2.6%
Percentage of Visitors Spending – Café/Restaurant	15%	7%
Percentage of Visitors Spending – Retail	27%	27%

Based on the above assumptions a best case and worst case scenario for the new Museum are set out as follows.

	Best Case Scenario	Worst Case Scenario
Year	Projected Number of Visitors	Projected Number of Visitors
2009/10	223,182	182,999
2010/11	235,457	187,757
2011/12	248,407	192,639

Expenditure

Revenue expenditure is based on opening the Museum six days per week from July 2009. We will reassess the opening days and hours following year one. We have shown separate budgets and expenditure for the purposes of clarity of project cost however the museum will operate as part of the Museums Galleries and Archives section sharing staff and budgets.

Staffing

The museum will be owned and operated by Bristol City Council, consequently the staffing costs will be the most significant type of expenditure.

Staffing grades, pay and benefit levels reflect local govt and BCC policies.

Please refer to section C for a list of the anticipated staffing levels. Staffing will be shared across all museum sites to take advantage of efficient and experienced working. We will also be looking to increase volunteer capacity particularly in the area of visitor engagement. Our Renaissance funding provides a commitment to volunteers by providing funding for a volunteer coordinator.

Premises

Budget heading includes on-going National Non Domestic Rates (NNDR), rents payable, building maintenance, lift maintenance and exhibition repair and maintenance

Equipment

This budget includes equipment maintenance and purchase, IT maintenance and telephone costs.

Utilities

This budget includes electricity, gas, water, sewerage and water charges, refuse, hygiene services and the cleaning contract. Energy use for the new environmental system will be extremely efficient.

Programme

Programme costs will cover events and customer focussed activities, including exhibition and education supplies. We have "back loaded" programme budgets toward year three as we gear up in response to customer feedback and

Marketing

This covers promotion, advertising, leaflet and brochure production and events.

Admin Costs

Admin costs include postage, stationery purchase, licences for software, performing rights and television, insurance, subscriptions and courier and cash collection.

Conservation

We have put in a larger conservation budget than the stage 1 plan in order to be able to continue to put new objects on display during the life of the museum. In year zero ahead of opening we have included £100,000. In the opening year we have withdrawn the budget to concentrate on opening activities but reinstated in later years.

Revenue Support

The current museums budget is supported by our annual £1.7m Renaissance award. This award allows museums to fund 33 extra staff, enhance opening hours and provide project funding such as the new Egypt gallery or creating a comprehensive service to schools. The revenue budget itself is currently set to provide support for all museums services and is not site specific as regards to staffing. For example, the marketing team are based in the City Museum but would spend a large proportion of time preparing for the successful 1940's week held in the Industrial Museum. A breakdown of the current revenue budget is as follows:

	£k
Conservators/Curators	650
Learning/Exhibition/Interpretation	413
Management/Admin/Marketing	334
Front of House	596
Premises	496
Supplies and Services/Legal/Tspt	99
Income	-48
Net Revenue Budget	2540

The subvention to the Museum of Bristol based on the current budget assuming two Curators, two Conservators, one Supervisor and six part time assistants can be seen below (all other posts are Renaissance funded). This is compared to the forecast revenue budget required for the new Museum of Bristol (forecast at current cost)

	BIM	MOB	Difference
	£k	£k	£k
Conservation/Curators	147	200	53
Learning/Exhibition/Interpretation	20	50	30
Management/Admin/Marketing	In core budget	108	108
Front of House	78	149	71
Premises	100	221	121
Supplies and Services/Legal/Tspt	4	25	21
Inflation on new posts		15	15
Earned income	-20	-259	-239
Sponsorship/Donations	In core budget	-70	-70
Net Revenue Budget	329	439	110

The balance of £110k will be made over the next three years by reviewing the current budget and staff in light of prioritising the Museum of Bristol. The full potential of the railway and other activity income around the Museum of Bristol will be reviewed before the opening year and will also contribute to the budget.

Overall Summary (Section B)

All figures are shown net of inflation. A small surplus is made in year zero and a small loss in year one. We have shown earned income figures as mid way on our optimistic and pessimistic projections.

OVERALL SUMMARY OF FINANCIAL PROJECTIONS AND FUNDING POSITION				
(ASSUMING OPEN APR 09 FOR STAFF AND JUL 09 PUBLIC)				
OPEN 6 DAYS PER WEEK				
	2008/2009	2009/2010	2010/2011	2011/2012
	Year 0	Year 1	Year 2	Year 3
		£	£	£
REVENUE				
Conferencing (Net)	0	80,210	150,057	*225,983
Catering (Franchise)	0	10,880	15,305	16,146
Retail (Net)	0	36,893	51,825	54,619
Programme Income (net)	0	20,000	30,000	30,750
Education	0	8,000	12,000	12,000
Sub Total	0	155,984	259,187	339,498
EXPENDITURE				
Museum Staff	270229	686,575	698,942	698,942
Premises	26010	104,040	104,040	104,040
Equipment	15000	20,000	30,000	30,000
Utilities	17500	70,000	86,600	86,600
Programme	10000	40,000	50,000	100,000
Marketing	0	40,000	40,000	40,000
Admin	0	25,000	25,000	25,000
Conservation	100000	0	45,000	50,000
Sub Total	438,739	985,615	1,079,582	1,134,582
TRADING DEFICIT	-438,739	-829,632	-820,395	-795,084
REVENUE SUPPORT				
Existing Bristol City Council Funding	328774	328,774	328,774	328,774
Reallocation From Current Staff		110,000	110,000	110,000
Renaissance Funding	123109	312,010	322,799	302,799
Sub Total	451,883	765,770	776,559	756,559
FUNDING IDENTIFIED				
Donations	0	10,000	10,000	10,000
Sponsorship	0	60,000	60,000	60,000
Sub Total	451,883	835,770	846,559	826,559
Net Surplus/-Deficit	13,144	-8,848	11,178	16,489

*Conferencing net of £53k staffing, marketing and equipment costs. Based on achieving 3rd year target of 128 gallery events and 73 foyer events plus 15% commission from catering. Option to reduce staffing costs depending on success of conferencing. See section D for details.

Section C - Staffing Analysis

The following assumptions have been made in respect of staffing levels

Category of Staff	FTE	Estimated Cost per annum
		£
Principle Curator (Manager)	1	50,659
Museum Supervisor	3	85,563
Museum Assistant	6.5	137,369
History Worker	3	111,490
Conservator	2	76,310
Learning Officer	1	37,164
Assistant Learning Officer	1	30,563
ICT Coordinator	1	37,164
Technician/Designer	1	33,962
Marketing Officer	1	30,563
Administrator	1	17,562
Increased on costs/inflation by 08/09		50,573
TOTALS	21.5	£698,942

An analysis of the current staff structure for museums with the Bristol Industrial Museum (BIM) proportion and forecast for the Museum of Bristol (MOB) is shown below. Other support is given on an 'as required' basis as previously mentioned. The final column shows the expected increase in FTE's required to run the Museum of Bristol however this is not expected to be the increase in the total number of museum FTE's due to the reallocation of posts due as part of a planned restructure prior to opening.

	Current Staff	Proportion BIM	Forecast MOB	Increase in FTE's
Senior Management	3		1	1
Administration	14	*1	1	
Collections	20	*1+2	3	
Conservation	7	2	2	
Marketing	4	*1	1	
Customer Focus	29	4	10	6
Exhibition/Interpretation	12	2	2	
Learning	9	2	2	
Total FTE's	98	15	22	7

*3 notional posts included currently funded elsewhere

Section D – Conferencing Analysis

Income	Gallery			Foyer			Total		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	£	£	£	£	£	£	£	£	£
Target Occupancy	35%	35%	35%	20%	20%	20%			
Maximum income	204,800	204,800	204,800	153,600	153,600	153,600	358,400	358,400	358,400
Start up Factor	50%	75%	100%	50%	75%	100%	50%	75%	100%
Income Generation	102,400	153,600	204,800	43,800	65,700	87,600	146,200	219,300	292,400
Catering Commission	3,600	5,400	7,200	2,053	3,080	4,106	5,653	8,480	11,306
Total Income	106,000	159,000	212,000	45,853	68,780	91,706	151,853	227,780	303,706
Revenue									
Events Organiser	30,563	30,563	30,563				30,563	30,563	30,563
Events Assistant 20hrs	11,080	11,080	11,080				11,080	11,080	11,080
Events Assistant 20hrs		11,080	11,080					11,080	11,080
Marketing	15,000	10,000	10,000				15,000	10,000	10,000
Equipment	10,000	10,000	10,000				10,000	10,000	10,000
General Expenses	5,000	5,000	5,000				5,000	5,000	5,000
Total Staffing Cost	41,643	52,723	52,723	0	0	0	71,643	77,723	77,723
Net Amount	64,357	106,277	159,277	45,853	68,780	91,706	80,210	150,057	225,983

Conference Facilities - Calculations

	Best Scenario	
	Gallery £	Foyer £
Events		
Charge per day	1750	1400
Restriction Percentage 10%	175	15% 210
Actual Charge per day	1,575	1,190
Rounded Figure	1,600	1,200
Target Occupancy	35%	20%
Based on no of days	365	365
Number of Events	128	73
Catering		
Number of Events	128	73
People per event	50	50
Total People	6,400	3,650
Price per Head	£7.50	£7.50
Income	48,000	27,375
Commission 15%	7,200	4,106

Risk Log

Risk	Level of Impact	Actions (Current)	Actions (Future)
Failure by City Council to agree submission of Stage 2 application	High: loss of confidence in BCC by HLF. Loss of £13m capital	Working with Project Appraisal Group to ensure business plans are robust	
Delay/refusal by Bristol City Council to agree to design stages.	High: Failure to move the project forward sufficiently to meet key gateways. Collapse of scheme. Loss of further external funding (£10m.) from HLF. Failure by BCC to deliver a key project with significant benefits to the Bristol city.	Ongoing dialogue with key individuals, members and officers Set key client processes and clear timetabling, involvement of stakeholders.	Continued dialogue with key stakeholders
Insufficient budget	High: Reduction in scope of the project could reach a point where the scheme becomes redundant. Reduction of budgets to unfeasible levels leaves the project exposed during construction period	Detailed analysis of spending priorities and options. Targeting of spending, limited phasing.	Agreed spending priorities and limitations. Focus on potential sponsorship and fundraising elements by Assistant Director (MoB)
Unable to achieve consensus on design issues	High: may delay project resulting in later start on site and additional construction costs due to inflation	Involvement of stakeholders	Current design agreed in principle
No planning consent for the application in a conservation area with high public interest	High:	Early and continuing consultation to resolve potential conflict. Involvement of key groups such as PWAG/Civic Society, Conservation Advisory Panel	Ongoing dialogue with key stakeholders
Escalation of construction costs as a result of unforeseen factors.	High/Medium:	Ensuring that there is sufficient budgetary provision to cover inflation, contingency, and design reserve. Management of the project to ensure value for money in meeting the brief and the needs of users within reasonable project values. Testing of potential cost areas (eg restoration of doors) to get cost certainty	Skilful project management and continued scrutiny of the cost plan by the design team cost consultants to control capital costs.
Revenue projections in the Business Plan not being realised.	High/Medium: Includes non-achievement of projected usage of function space and ongoing maintenance costs, and loss of Renaissance Funding	Detailed plans inc sensitivity allowance completed. Continuing focus on how MoB helps meet Renaissance targets	Development of operational plan by new Assistant Director

Museum of Bristol Project - Consultation Doc
Key themes, trends and issues

Design and concept

- Positive responses about the design focused on the bigger picture what a 21st century fit for purpose building could be like for the city, tourism etc. People felt the character had been maintained whilst modernising to suit the needs of the museum and that it fits in well with other harbour side development.
- Emphasis on being contemporary and modern whilst being sensitive to what that place represents to Bristol.
- Softening the design a little – less like an industrial block that is sterile and solid.
- 2 entrances to the building to create a thoroughfare?
- Can the design incorporate the historical features that make the site so unique? Attract new people but also preserve the heritage and educate what the place was originally used for.
- Lots of responses around the loss of the front sliding doors of the current museum and why they cannot be incorporated somehow.
- More emphasis on the needs of developing the internal and rear spaces not external
- Many people wanting to keep a dockside building a dockside building, one specific to the history of Bristol. Upgrading the existing building instead of starting again. Maintain the feel of the maritime/dockside and utilise what is already there.

Materials

- Safety and maintenance issue around extensive use of glass
- Will provide an openness (glass) nice views, light etc
- Glass could make it feel dated a few years down the line – could it be combined with more industrial material like timber or cladding. Empire and Commonwealth Museum - example of building getting it right.
- Glass could make it feel exposed and could potentially damage the exhibits inside.
- The glass structure on the outside of the existing Museum on Park Street works well as it sits aesthetically within the existing design.

Heritage

- Confusion around what is to be demolished and what is to be retained for example the cranes, trains and industrial features, what provision is to be made for the maintenance of those exhibits. Especially the trains.
- What is happening to the L Shed?
- Anxiety around not preserving the heritage - one of the last remaining dockside buildings. – Restoration/renovation project as an alternative?
- Confusion around whether part of the site is going to be sold off

- More money needs to be invested in the contents not the shell

Cultural Impact

- Confusion around the internal spaces and what they are going to be used for. What is currently up for grabs? Has any documentation about exhibition space etc been clearly presented as currently many responses felt that the priority was around the external design and catering facilities not what is going to be exhibited inside?
- Concern around the internal spaces and the designs giving the impression that they will be losing space.

Environmental Sustainability

- Environmental control could be achieved by insulating the exhibition spaces properly behind the façade of the existing building fabrics.
- The building should be a demonstration in environmentally friendly design – materials, energy, and waste.

Profile

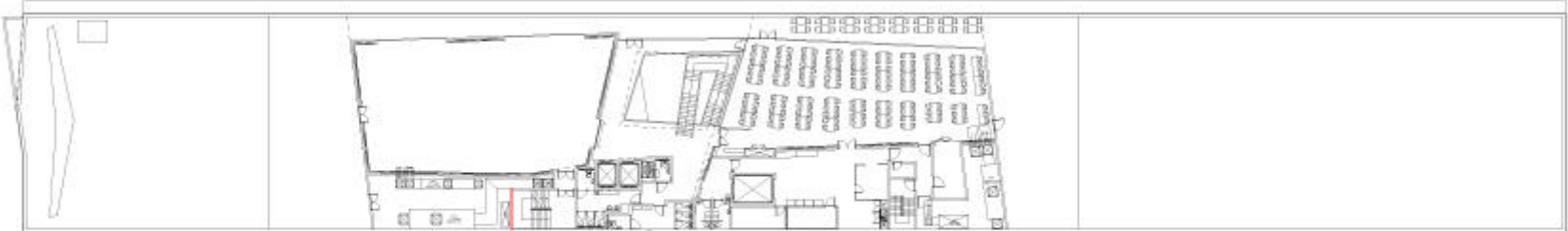
- A bit of confusion around the relationship between the Museum of Bristol and the Industrial Museum. The designs concern the industrial site yet it has taken another name. Important to brand the project clearly. Some comments thought that the whole site would be moving to the dockside and the Queens Road site would close.

Access

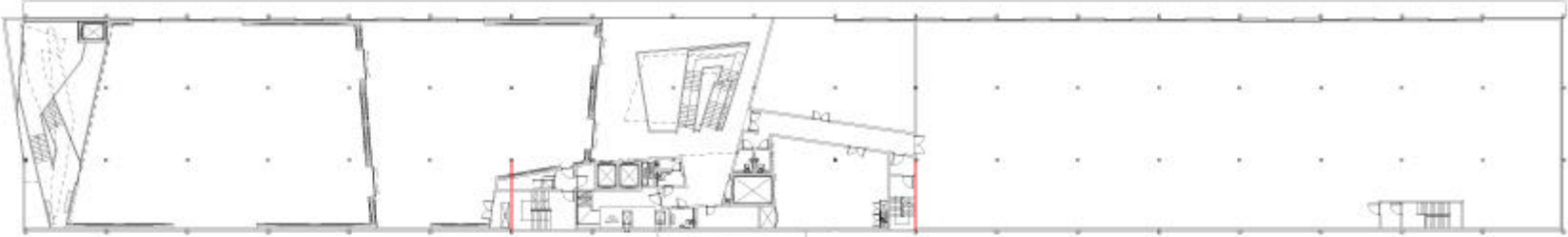
A need for clear explanations on accessing the site – parking, transportation, accessing the site over the bridge etc.

Appendix E

– Plans for the Museum (not to scale)



second floor plan



first floor plan



