

## Agenda Item 23

**Cabinet**

**6 March 2013**

**CP**



### **Thelma Hulbert Gallery progress report**

#### **Exempt Information**

Para 3 Schedule 12A information relating to the finance or business affairs of any particular person.

#### **Summary**

Cabinet considered the report prepared by the Countryside & Leisure Manager at its 5 September 2012 meeting that outlined the key recommendations of the Arts Review TAFF. The focus of much of the discussion was centred on the future operation of the Thelma Hulbert Gallery (THG) specifically its financial and operational performance following the refurbishment in 2010. Cabinet considered the financial modelling submitted within a Feasibility Study undertaken by Consultants in 2009 that provided the business case for investment into the THG and its expansion into the areas previously rented to the Registrar. The disparity between the forecasted income targets by this Study and the actual income generated post refurbishment created concerns for Cabinet. Therefore a recommendation was made that changes were needed to the retail offer and consequently the layout of the THG, all operational aspects of the THG including roles and responsibilities of the team to be reviewed and that income levels needed to be improved within twelve months of the decision. Cabinet also recommended setting up an Arts & Culture Forum to help drive not only the strategic direction of the THG but also the Council's overall arts and culture programme.

#### **Recommendation**

**That Cabinet considers the progress made in reviewing all aspects of the Thelma Hulbert Gallery's business operation and the year to date financial performance of the Gallery against its budget target for 2012/13.**

#### **a) Reasons for Recommendation**

Cabinet requested an update report to enable it to track progress made in reviewing the operational performance of the THG

#### **b) Alternative Options**

N/A

#### **c) Risk Considerations**

That the time necessary to bring in the Arts Council funding, complete staff consultations on skills and job roles going forward, and reorganise the building to

improve the shop offer will leave only a short time to turn around the income generating potential of the THG

#### d) Policy and Budgetary Considerations

The Corporate Plan under corporate goal 'Enjoying this outstanding place' has a target to investigate the possibility of the THG achieving trust status. With the new 3 year financial settlement and likely budget deficit issues the Council faces from 2013/14 onwards, the plans to raise income levels are critical for the future of the THG.

#### e) Date for Review of Decision

Overview & Scrutiny reviewed TAFF recommendations at its 26 July 2012 meeting and Cabinet at its 5 September 2012 meeting; the decision in respect of the future operation of the THG is to be considered by Cabinet as part of its scrutiny of the Council's budget proposals for 2014/15 and beyond.

## Main Body of the Report

### 1. THG purpose

1.1 The revised THG Business Plan 2009-12 recommends that the THG programme should be to create more variety and attract new visitors. To not only put on touring exhibitions of national repute the intention was to pursue the following aims:

- Be an asset to the region, making a contribution to the social, cultural, educational, and recreational experiences of the local and wider communities
- To originate and show an innovative and high quality programme of contemporary art and craft of local, national and international significance
- To support and promote contemporary artists living and working in the South West
- To develop and deliver a strong art-based learning programme for diverse groups and individuals
- To curate and facilitate integrated exhibition and learning programmes
- To achieve and maintain a sound financial base for the organisation

1.2 Within this Business Plan the commitment to reduce costs and increase income is explicit recognising the need to look at business sponsorship of exhibitions to include private viewings; to develop wider use of the THG by community groups and businesses; increase sales from exhibitions; increase number of 'Friends of THG'; seek more grants towards events, exhibitions etc and investigate potential for hire to artists and arts related organisations.

### 2. THG operational performance

2.1 The operational performance of the THG since 2008/09 is:

	EDDC Budget £	EDDC Actual £	Income budget £	Income actual £	Visitor no's forecast	Visitor no's actual
<b>2008/09</b>	46,770	<b>58,904</b>	2,110	<b>7,594</b>	N/A	<b>3,999</b>
<b>2009/10</b>	38,960	<b>62,354</b>	21,030	<b>8,993</b>	N/A	<b>3,332</b>
<b>2010/11</b>	55,400	<b>98,004</b>	22,980	<b>11,829</b>	9,500	<b>5,411</b>
<b>2011/12</b>	52,460	<b>77,927</b>	25,200	<b>15,891</b>	14,000	<b>5,984</b>
<b>2012/13</b>	115,330	<b>112,330</b>	13,710	<b>16,116</b>	17,000	<b>5,711</b>
<b>2013/14</b>	118,020	TBC	17,710	TBC	21,000	TBC

- \* ***Bold italic figures*** indicate forecasted figures for year end.
- \* Visitor no's forecast are based on THG Feasibility Study Report 2009
- \* Income figures are based on revised figures set by EDDC rather than Feasibility Study projections which have been shown to be overly ambitious.

2.2 The improvement in projected income generated for 2012/13 is to be welcomed though the worrying statistic is still around the annual return of visitor numbers which has flat-lined at the 5-6K mark. Despite getting a better financial yield per head out the customers visiting the THG so far in 2012/13, the ability to significantly increase visitor numbers remains the single biggest challenge for the THG. Section 3 outlines the proposals for tackling this challenge in 2013/14.

### 3. THG operational changes 2013/14

3.1 Cabinet recommended that all aspects of the THG's operation should be reviewed and changes put in place in 2012/13 to see if an improvement could be made to the commercial performance and visitor number count to the THG. Since September 2012 the Deputy Chief Executive and Countryside & Leisure Manager have been in close and detailed discussions with all the THG staff, the Culture Champion and Deputy Environment Portfolio Holder to seek changes to improve the potential for income generation.

3.2 The following areas have been taken forward in the last 3 months:

#### 3.2.1 THG layout/improved retail space

- Reconfiguring ground floor retail space
- Current office to be moved to 1<sup>st</sup> floor to allow additional retail/café area
- THG room to be used for local artist exhibitions (THG exhibits to move into café area)
- Minor works to outside area to open THG to Dowell Street car park & increase external seating area as part of extended café/retail offer
- Costs for all works to site are £11K using Property Services, ICT & Streetscene to implement works this financial year and draw from the Arts Development budget

#### 3.2.2 Review of staff roles

- All staff have been part of informal and formal discussions about roles/responsibilities with Management and HR
- All Job Descriptions (JDs) have been reviewed by the Deputy Chief Executive & staff consulted on changes made to each one

- Draft JDs reflect the need for current Gallery Development Manager post to reflect greater marketing & fundraising function; Curator role to expand into a Gallery Manager role to take on line management functions and Gallery & Arts Admin Assistant role becomes Gallery Officer and has greater focus on the running of the THG retail side, including an online shop and organising volunteers.
- Following consultations on the revised JDs the Gallery Development Manager has decided to take redundancy, this has been in consultation with Unison and the Corporate Manager - Organisation Development;
- All JDs are to be Job Evaluated with further consultation with all staff.

### 3.2.3 Implement Systems Review to improve processes and day to day operations

- Following SWAP report on day to day operations of THG and gaps in processes and procedures a systems thinking approach has been implemented
- Initial work has identified purpose, an issues log set up with a review of processes and changes to specific operational practices to be looked at in April.
- Carol Hawkins, Finance Officer and Glen Foord, Senior Income & Payments Officer are reviewing the till procedures and VAT returns to pick up anomalies in the current system.

### 3.2.4 Grant bid to Arts Council

- The Arts Review TAFF identified the urgent need for a Marketing and Sales Strategy to drive the commercial interests of the THG forward.
- There is a lack of a strategic approach to developing the THG as an important driver for the local economy of Honiton as well as East Devon through a cultural regeneration programme that helps link the THG with the wider east Devon cultural offer and so brings increased tourism spend.
- There is a lack of a clear sales strategy to link the commercial opportunity of the exhibitions to forecasted income targets
- There is a lack of a current and detailed audience development plan to help target projects & programmes for engaging a wide range of new audiences in the work of the THG (whether site based or as part of a wider outreach programme).
- The Arts Council has therefore encouraged a 'Grants for Arts' bid to help provide resources to develop these elements for the Staff to implement, this has been submitted and a response will be known in 12 weeks.
- EDDC to contribute £5K (from Arts Development budget 2013/14) as match funding to an overall bid of £20K to Arts Council.

### 3.2.5 Creation of an Arts & Culture Forum

- Cabinet took on board at its September 2012 meeting the recommendation from the Arts Review TAFF to set up a wider Forum to help steer and lobby for the Council's arts and culture programme;
- The Deputy Chief Executive has been preparing Terms of Reference (attached) for this in liaison with Democratic Services;
- The Deputy Chief Executive has also advertised for volunteers with specific skill sets such as marketing and Public Relations to sit on the Forum;

- The Forum will consider not only the strategic direction of the THG but also the Manor Pavilion, the wider arts programme such as Villages in Action and also the Countryside Team's work programmes.
- Interviews for these roles will be taking place in mid February with a view that the Forum has its inaugural meeting in March or early April 2013.

#### 4. Future actions

4.1 The level of support currently being given by EDDC Managers is to help redirect the current offer of the THG and implement changes to the processes and systems behind some of the operational procedures to make it a more effective and efficient operation; This is now reaching a conclusion.

4.2 The THG team will be expected to start implementing changes to the commercial offer of the Gallery and also start to raise the profile across East Devon and beyond. The focus of the Team's activities will be to start increasing its footfall and also the income to reduce the level of support it currently receives from EDDC revenue budget. This is in line with the Cabinet decision in September 2012 and also reflects the need to turn the business around with the challenging budgets EDDC is facing in 2014/15 and beyond.

4.3 The recent decision of the Gallery Development Manager to take redundancy following consultations on the revised JD for that post mean that there is now a vacancy for a Marketing & Fundraising Officer post within the THG.

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### **Legal Implications**

As is implied in the report, any changes to job roles should follow appropriate legal procedures. At the time of providing legal observations the terms of reference of the Culture Forum are incomplete so a legal review will be carried out when the draft is completed.

### **Financial Implications**

3.2.1 THG layout/improved retail space – There is no provision in 2012-13 budget for the £11k costs of improvement. There is no provision in 2013-14 budgets for such works.

3.2.2 Review of staff roles – There is no provision in the budget for 2013-14 for any increase to staff Salary changes following the Job Evaluation process, should this be necessary.

3.2.4 Grant bid to Arts Council – There is no provision in the Arts development budget 2012-13. There is an under-spend in Employee costs 2012-13, but we wouldn't normally use these savings for match funding. There is no provision in 2013-14 budgets.

### **Consultation on Reports to the Executive**

#### **Background Papers**

- Arts & Culture Forum Terms of Reference

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