

CABINET
THURSDAY 18th FEBRUARY 2021

REPORT OF THE PORTFOLIO HOLDER FOR HERITAGE AND REGENERATION
CASTLE REVIEW 2020

EXEMPT INFORMATION

None

PURPOSE

The purpose of the report is to:

- Present the Castle Review that was prepared in 2020 and which updates the previous 2018 version taking into account improving the commerciality of the venue.

RECOMMENDATIONS

Cabinet are asked to:

1. approve the Castle Review undertaken in 2020 as detailed in the report and set out in Appendix 1; and
2. approve the action plan and timetable for the delivery of the review recommendations as set out in Appendix 3;

EXECUTIVE SUMMARY

The Castle is the jewel in the crown for Tamworth Members and residents, and rightly so, because its heritage is special and it represents something unique for the town. The Castle is an integral part of the town centre regeneration programme with the Castle and its visitors playing an important part of the Tamworth offer.

The 2018 Castle Review

It would appear that this important council owned asset has been under review, permanently, over the last few years. The most recent of which was an internally undertaken investigation into the operation of castle activities, which was completed in 2018.

Upon commencing employment with the Authority in September 2019 a priority for the AD G&R was to conclude and implement the 2018 Castle Review.

The 2018 Castle Review did not set focussed objectives at the start and much of the report sets the scene and provides context within which the Castle operates. 12

operating models were proposed whereby a variety of combinations were gently tested to determine how best to deliver Castle services.

It can be concluded that the 2018 Castle Review:

- was a bottom up process whereby current staff and the operation of current castle activities had informed and influenced both the proposed operating models and the recommendations of the report; and
- defines income generation and commercialisation in a very narrow way, with events not forming any part of creating additional income streams.
- The review did not seek to explore wider commercial options that would assist the long term viability of this important landmark asset

The Infrastructure, Safety and Growth Scrutiny Committee picked up inadequacies of the report following numerous discussions during its preparation. Having received feedback from scrutiny meetings it is clear the 2018 Castle Review wasn't comprehensive enough or challenging in its approach, hence the need to realign and revisit certain areas. There is of course the impact of a global pandemic now to consider in moving this forward.

Firstly a number of factors and issues have emerged since the 2018 Castle Review was conducted:

- Much of the data that underpins the review is relevant however, a number of years have already passed since the review was written.
- A re-structure has led to different personnel managing the Castle.
- There is a picture emerging of a culture at the Castle that is not directly orientated towards the needs of the Borough Council, and there is evidence of a silo mentality in its approach.
- Significantly, the re-opening of the Tamworth Assembly Rooms presents an opportunity unquantifiable at the time of the Castle Review. The newly created Arts and Events Team have skills and experiences that could be utilised and should be explored to determine if there are any benefits that can be realised by treating the Castle as a venue and a commercial venture. In particular the catering capabilities at the Assembly Rooms, has the potential to add value.
- The Councils Reset & Recovery programme has a specific workstream to consider the town's heritage, the work conducted on the 2020 Castle Review will form a vital part of this workstream.

Secondly, the financial facts and figures that underpin the castle spell out a difficult situation, and again this is against a worsening fiscal position for the authority due to the impact of the pandemic:

- Average paying visitor numbers over the last five years were 35,717, falling to 30,389 in 2019/20 and made up from 62% visitor admissions (average income £5.00 per head), 32% school visits (average income £6.13 per head) and 6% commercial events. (Albeit noting there are substantial, works underway in the Castle using the Heritage Lottery Funding grant assisted works).
- Additional spend per visitor in 2019/20 was on average just 19p in the Café and 70.4p in the Shop – both of these commercial outlets are running at a loss when the appropriate proportion of people and property and associated costs are applied.
- Average annual like for like income over the last five years was £225,764.69 falling to £198,836.96 in 2019/20.
- The 2020/21 Base Budgeted income for the current financial year of £220,387.00 is already unattainable because of the COVID-19 pandemic closing all activity.
- Tamworth Borough Council provides significant annual subsidy to sustain the Tamworth Castle Museum Collection & Archive, averaging £354,422.29 per annum over the last five years but increasing to £411,176.36 in 2019/20, equivalent to £1216.79 per day.
- The total budgeted subsidy for the current financial year of £381,780.00 is already unattainable because of the COVID-19 pandemic closing down all commercial activity. As a result, costs are likely to exceed £500,000.00 per annum in 2020/21 without any intervention. This has been exacerbated further due to lockdowns that have seen the facility closed since November 2020.

Coupled with this is the fact that there are immediate building related problems at the Castle that led in 2019 to a reduced ticket price, reflecting that the visitor experience had been down-graded. An infestation of pigeons has led to the closure of the (very special and unique) Intramural Passage and Dungeon and the Tower Roof has been closed since July 2019 due to problems with the slatted wooden floor.

The 2020 Castle Review

Taking a much deeper look rather than just concluding the already prepared 2018 Castle Review was necessary. The Castle had to be managed in a more focused manner and run on a more commercial basis with the visitor experience front and centre

To assist, the AD G&R appointed an external consultant to lead this review and this provided the much needed independence and fresh eyes necessary to deliver a clear and unbiased strategy. Added to this the selected consultant was a skilled retailer with commercial awareness, marketing experience, knowledge of how to deliver a product and someone with commercial management experience.

Appendix 1 provides the Castle Review presenting the findings and recommendations. Consultation was undertaken with Elected Members, the Council Management Team, Employees of Tamworth Castle and the Friends of Tamworth Castle. 27 respondents engaged on understanding the purpose of the Castle and the

emerging theme was a general consensus to commercialise the Castle & Museum, which in turn has informed the emerging strategy. The Consultation responses are provided in Appendix 2.

Since this work was commissioned, the Council has endorsed its own Reset & Recovery programme, and has a dedicated work stream relating to heritage matters and specifically the Castle. Therefore, the 2020 Castle Review will feed into the overall programme.

The outputs for the Castle Review 2020 were 4-fold:

- set out the Castle activities over a calendar year with a commercial view to maximise income and minimise cost, taking into account the opportunities at the venue;
- structure the management of staff at the Castle venue to support the strategy which emerges;
- seek to take a wider approach to consider the Castle as one of a number of venues offering services to paid customers across Tamworth and how this might be coordinated – including potential synergies through working with the newly formed Arts and Events Team, the Assembly Rooms offer and wider Marketing and Tourism opportunities;
- prepare a strategy that is reported to and supported by Members.

What needs to be borne in mind is that the Castle has the potential to change, become more self-sustaining and contribute more fully to the regeneration of the town centre. The Castle was an integral part of the Future High Street Funds Bid (FHSF) owing to the part it plays in supporting the town centre economy.

However these changes are not going to happen overnight, and particularly not during a Pandemic when fewer people want to engage with visitor attractions and also when the Borough Council are either restricting the number of people and activities that the castle can accommodate or mothballing it in line with Government guidelines, to reduce the impact of the virus on the population.

The Review Methodology and Findings

Critically it was necessary for Rob Holder to underpin the 2020 Castle Review by immersing himself in Castle activities and operations. Having fresh eyes and a critical approach enabled a clearer perspective on what was achievable in terms of meeting the brief and also what the barriers to being successful would be. Fortunately, this process began before the initial National Lockdown in March 2020. The approach and methodology to the project was broken down into the following three phases:

- Phase 1: 'As is': understand the operating model and ways of working.
- Phase 2: 'Purpose': identify and engage with key stakeholders on the Castle's role.

- Phase 3: 'Deliverable Strategy': make realistic and achievable recommendations.

These Phases were aligned to five themes;

1. Safe & Legal – Understand the safe & legal requirements of the site.
2. People – Understand the organisational structure and ways of working.
3. Visitor – Understand the end-to-end visitor experience.
4. Commercial – Understand all the commercial activity-taking place.
5. Community – Understand the role of the Castle in the community.

Key Findings

As a result of immersion into the Castle & Museum a number of themes started to emerge:

- The Castle building requires significant attention, the 2019 Condition Survey highlights no less than 130 actions deemed urgent / within one year due to Health & Safety concerns. Most of the recommendations remain outstanding.
- The Castle & Museum benefits from strong Curatorial experience but is lacking in overall Leadership and Management of the combined service. This has led to an unhelpful culture that is work to rule and anti-establishment (anti Tamworth Borough Council).
- The Organisational Structure is not resilient or fit for the future; it relies heavily on casual labour and does not support year round activity. Commercial activity is decided based on staffs needs and wants not visitor needs and wants.
- The Castle visitor attraction requires significant attention, of the 25 visitor areas 24% are currently closed to visitors and a further 48% are in need of improvement, this has led to the need to reduce entry price and reduced overall visitor dwell time.
- The Castle & Museum works in a silo and operates independently of the Castle Grounds and other Heritage buildings.
- The Castle undertakes a lot of activity; Visitors, Schools, Commercial Events, Weddings, Venue Hire - most of the activity conflicts at least some of the time impacting the visitor experience and stifling income generation.
- Income and Expenditure data is good and widely available but not utilised to make informed decisions on income generation, nor is it used to help educate staff to support delivering a financially viable proposition.
- The Archive & Collection exceeds 40,000 individual pieces, over 90% of it is locked away from public view and access, less than 10% of it is photographed so should anything happen to one of the stores it would be lost forever.
- 27 Respondents engaged on purpose and the emerging theme was a general consensus to commercialise the Castle & Museum, which in turn has informed the emerging strategy.

It is clear that the Castle requires more than just a re-alignment towards a more commercial venture. It has been necessary to pick apart its operation and activities

to re-build the way in which the Castle can coordinate multiple work streams whilst delivering an excellent visitor experience. The 2020 Castle Review takes each activity in turn and sets out the current 'as is' situation, it captures the consultation responses and then moves the review forward with recommendations and actions.

Individual sections within the report cover the following main activities:

- Visitors
- Retail Shop
- Upper Holloway Lodge
- Education and Schools
- Commercial Opportunities
- Weddings
- Venue/Room Hire
- Collection and Archive

Appendix 3 provides further detail on a Cost Benefit Analysis for each work stream. The Cost Benefit analysis takes the actions from the 2020 Castle Review (Appendix 1) and provides not only information on financial costs and returns but also a priority for the actions in terms of essential and desirable projects with timescales attached for delivery over the next three years. It is a clear road map for the delivery of the 2020 Castle Review.

A detailed assessment of the priorities indicates that very small amounts of investment are required to kick start activities and in many cases, no investment is required. In-fact the greatest opportunities to increase Castle income result from enhanced Opening Hours which has a similar staffing financial footprint as before and also the Fees & Charges which requires just time and effort.

To arrive at the priorities the Portfolio Holder Cllr Jeremy Oates has consulted with the Heritage Working Group. The Heritage Working Group has also considered a number of key issues that require immediate attention to enable activity to commence at the Castle when able to do so, such as fees and charges and opening hours. The current Castle team are preparing the Castle so that it can open in readiness for the Easter Holidays and this remains the plan until it becomes clear from the Government if a National Lockdown or further tiered restrictions apply.

Fees and Charges

The 2020 Castle Review demonstrates that the Fees & Charges architecture requires revisiting. It has been some time since it was last reviewed and there are a number of obsolete charges to be deleted and new charges that should be applied to maximise income generation.

The implementation of new proposed Fees & Charges which lists 16 new income generating activities could deliver between £8246.00 and £28960.00 per annum based on conservative projections by investing a bit of time and effort. In addition, taking the 2019/20 visitor number data for Adults, Family, Children and Concessions

and applying the new fees & charges could deliver an additional £49,242.55 per annum.

Castle Museum Core Visitor Opening Times

It is proposed to increase the operating window of the Castle & Museum to be open to the public from 1st February to 24th December, Tuesday to Saturday 0930-1630 and Sunday 1000-1600 (closed Easter Sunday).

2021 presents a unique opportunity with the grand opening of the new Saxon Battle & Tribute to market and promote the Castle & Museum far and wide. The benefit of opening the Castle & Museum to visitors for an additional 65 days based on the 2019 averages (visitor number and actual spend) could generate between £6581.25 and £26325.00 per annum based on the conservative projections set out in Appendix 3.

There are no additional costs associated with increasing the operating window as they have been included in the proposed Organisational Structure and associated costs.

Retail Shop

The retail shop has been relocated to an area of the Castle with increased footfall and needs to be walked through to exit the Castle. This relocation will increase income due to the opportunity it provides. The review also seeks to invest in Saxon specific merchandise, which aligns to the Battle and Tribute exhibition. It is anticipated that the investment in the Castle to deliver the exhibition will not only drive visitor numbers but also visitor expenditure.

As a result of increased footfall it is reasonable to assume an uplift in spend per visitor, moving it from the 2019/20 average of just 70.4p to £1.00 could generate upwards of £10,017.59 of additional income per annum.

It is estimated that £2500.00 of investment in Saxon specific merchandise should deliver no less than £8,333.00 of additional income..

Upper Holloway Lodge

The Castle Café has been relocated to the Upper Holloway Lodge and opened for three months in August 2020.

The Café Kiosk as a standalone unit is ideally placed to serve visitors to the Castle, events in the Castle Grounds and daily passing trade. Sales of £5326.48 in the 12 weeks it was open in 2020 almost exceeded the 2019/20 annual sales at the Castle.

Personnel costs have been included in the Organisational Structure and associated costs, the requirement for two personnel to be present is costly and impacts profitability, consideration should therefore be given to reducing to one member of staff during quieter times. An estimated cost of £3000.00 is needed to finish the fit out that was started by installing CCTV, Fire and Intruder alarm system.

It is reasonable to assume that the Café Kiosk will benefit from increased footfall and an uplift in spend per visitor because of the improved offer. In 2019/20 the average spend per visitor was 19p, increasing spend to 50p could generate £10,415.82 of additional income which would deliver circa £7,290.37. The £3000.00 needed would therefore pay back in under 3 years.

Education and Schools

It is essential to continue to offer an in-house Education & Schools programme for Key Stage 1 to Key Stage 4. Not only is this activity a significant income generator it also aligns to the Castle & Museums stated purpose; 'a unique monument offering an inspiring, entertaining and enjoyable learning experience to all users'. The current proposition is not marketed or promoted which presents a significant opportunity to increase occupancy and ultimately income generation.

In 2019/20 the Education & Schools programme accounted for 30% of total income generating £59,782.75. Costs are included in the new organisation structure and are reduced from 4 to 2 personnel taking advantage of the new on-line digital experience.

Occupancy in 2019/20 was 48% with no pro-active marketing or promotion. Increasing occupancy by to 15% in 2022/23 could generate an additional £8,538.47 of income based on the 2019/20 averages.

In addition, securing just 2 paid subscriptions of £300.00 per month over the 9 month school year to the new remote online learning platform could generate £5400.00 of new income.

Commercial Opportunities

Visitor numbers and income generating activity are in decline amidst a rising cost base. There are no costs associated with creating a year round calendar of paid commercial events. The Castle will market and promote events on social media and take bookings via the website. Events will primarily consist of small local businesses delivering relevant commercial events, a good example would be 'wreath making' at Christmas in the Great Hall and Townshend Room.

Income potential is largely unknown but it would be reasonable to assume that just one paid event per month for 25 people could generate £1375.00 of income. The detail of commercial possibilities with some modest income projections are set out in Appendix 3.

Weddings

Only five ceremonies were carried out in 2019/20 generating £4,854.15 of income. This area of income generation has never been properly marketed and the opportunity for a growth in weddings has never been better due to the Government restrictions because of the Pandemic.

Investing £2,500.00 for professional photography, professional venue dressing and marketing material will provide the framework required to properly market and promote the venue. This investment is also aimed at the inclusion of the Assembly

Rooms which, as a venue with catering facilities, has the potential to upsell the Weddings at the Castle to include food and drink packages or indeed a package which includes the wedding breakfast/evening entertainment at the Assembly Rooms itself.

Increasing bookings at the Castle by three in 2021/22 would pay back the investment in year 1. Delivering the very modest Projection 1 as set out in Appendix 3 would deliver £6,810.00 of additional income.

Venue/Room Hire

There are no costs associated with this income generating activity. Potential users will contact Assembly Room staff, make the booking and make the payment. The Borough Council will market and promote room and venue hire on social media and via the website.

It is important to note that two ground floor rooms have been repurposed to allow more small-scale business activity to operate without any impediment to the Castle visitors and their experience, which is the biggest income generator for the Castle.

The proposed Fees & Charges set the half-day rate at £70.00 and full day rate at £120.00. It would be reasonable to assume that one half day booking per week (children's birthday party) could generate £3360.00 of income per annum for very little effort.

The Arts & Events Team also have the option to book rooms at the Castle to extend their portfolio of events further.

Collection and Archive

A successful Cultural Recovery Fund bid has enabled the appointment of Consultants to start the process of review, rationalisation and digitisation of the Collection & Archive. Additional costs are largely unknown at this point but will become clear once the consultants have carried out their assessment.

The financial benefit is largely unquantifiable beyond having the Collection & Archive online for all to access and Holloway Lodge as a commercial asset ready for repurposing if the archive is transferred to Staffordshire County Council or another TBC asset such as the Amington store. Importantly, the review and rationalisation will reset the framework for ongoing management and preservation of the collection and archive.

Work already undertaken or underway

It is noted that some of the actions are already in the process of being delivered. At the end of the 2019/20 financial year the AD G&R put together a business case which was supported by the finance team that pulled together a number of salary underspends across the G&R directorate into a reserve fund.

The purpose of the Castle Reserve is twofold:

- address issues surrounding the reduced ticket price so that the price can be adjusted upwards to reflect the original castle experience and associated entrance price – thereby increasing income.
- generate stronger more sustainable income streams for the Borough Council which will offset castle expenditure.

The intention is to deliver the following approved projects:

- Pigeon clean up and prevention – intramural passage/dungeon/bin storage area and the well head.
- Re-opening the tower roof following extensive repair, this will also enable the flag to be used to mark national days of celebration.
- Relocation of shop and café out of the castle (in the wrong location/loss making) – to the Upper Holloway Lodge thus creating space then available for hire/further castle activities. New Café/shop then contributes more fully to the castle grounds and support activities and events in that space. This project also eliminates the competition that the previous occupiers of Upper Holloway Lodge had with the shop that they ran.
- Creation of a new shop in the Castle, which visitors will have to exit through therefore creating additional footfall and spend.
- Relocation of staff office to the Ferrers Room and the creation of further event space to improve accessibility or use for Castle activities. This project requires repairs to the building.
- Clearing out various spaces/rooms and outbuildings over run with paperwork and Castle ‘stuff’ so that spaces can be re-purposed to generate uses that can bring income into the Borough Council (The staff office/The Coach House) or be utilised to support Castle operations in a smarter way.

In addition to the above, the Castle team are taking a long hard look at the existing museum exhibits with a view to improving the experience with additional cleaning, interpretation and re-organisation. For example, the footbridge has been re-opened and the Castle ‘closet’ in the ‘Withdrawing Room’.

Other work underway at the Castle

Following competitive tendering, a contractor has recently been chosen to light Tamworth Castle and the Lower Holloway Lodge so that they can take centre stage and be restored as the town’s most notable landmark. The enhanced external lighting scheme will raise the Castle’s profile within both a local and national arena and offer the ability to join in with national and international special lighting occasions. This work will be completed during the financial year, subject to any further Government restrictions.

The momentum created and the clear direction that the Castle has because of the Castle Review 2020 and recent investment has underpinned a successful bid to the Governments Cultural Recovery Fund (CRF). The Council is now in receipt of approx. £250K to both support the Castle finances during the pandemic and also to invest and deliver services in a different and more modern way. In summary, the CRF will assist in delivering the digitisation of the Collection and Archive, a new

Augmented Reality Castle Trail and On Line Education Experiences, as set out in the Castle Review.

NEXT STEPS

The operation of a visitor attraction and museum during the Pandemic has been challenging. Following a long period of closure from March to August in 2020 the Castle re-opened to a limited number of visitors. Following the National Lockdown in November 2020 the museum has not been able to re-open due to either Tier 3, Tier 4 or lockdown Government restrictions. At the point of writing this report in February 2021, it is unclear when the current restrictions will be lifted.

Until the latest round of restrictions were imposed the intention was to re-open the Castle in the spring 2021, more specifically aiming for the Easter holidays if Government guidance permitted.

It is looking increasingly unlikely that this timetable will be possible due to the severity of the Pandemic during January 2021. That said, works continue at the Castle to ensure that the Castle will be ready for opening should the Borough Council be in a fortunate position to do so. Key decisions around Opening Hours and Fees & Charges are integral to the opening process. This will require a corresponding Appointments and Staffing Committee to sign off a new Organisational Structure, the purpose of which will support the new activities and operations. Of importance is the recruitment of a Castle Manager to take the lead in delivering the Castle Review recommendations.

The reviews findings and recommendations cannot be implemented quickly given the uncertainty we still face. Appendix 3 outlines a three year timetable for the delivery of essential items to generate further income at the Castle. In terms of investment, the Review demonstrates that for a small amount of investment more income can be generated. The Castle team will either bid for external money to complete outstanding recommendations or a bid for Capital money will be made at the appropriate time during the Borough Council's financial year. Of importance is that the Review can underpin any bids submitted.

The work of the 2020 Castle Review forms part of the Reset and Recovery workload.

OPTIONS CONSIDERED

The 2020 Castle Review looked at a range of options around the retention of the building and scope of the change that the Castle could undergo. The review looks at disposal of the asset, do something or do nothing. A benefits and risks analysis was undertaken of seven options which ranged from selling the castle and disposing of the archive to a fully commercialised Castle to include the archive which built upon its current operating model. This latter option was ultimately selected for more detailed consideration.

RESOURCE IMPLICATIONS

Covid has had a significant impact upon visitor numbers at the Castle. The Castle was open from August through to the end of October 2020 and during this time; the number of people who were able to visit in any given hour was restricted to allow for socially distanced visits. This was achieved through pre-booked tickets that have specific turn up time slots. In addition, the education programme was ceased until such time that it is safe to return to it. Focussing operations on a small core activity has led to a number of redundancies.

To re-open the Castle to accommodate more activities over the next financial year will require a new organisational structure. This is costed and forms part of the review.

Any additional resourcing costs, including the additional cost of the new organisational structure of c.£30k p.a., will be met through the forecast additional income outlined within the report.

Implementing the income generating recommendations in this report could deliver additional income upwards of £109,985.68 per annum (combined totals of additional income highlighted in green in Appendix 3) post pandemic and based on modest projections. Additional income generated should be used to offset against the current level of subsidy required from Tamworth Borough Council.

Any costs associated with each income generating recommendation will be reflected in the budget prior to its implementation, funded through the forecast additional income.

LEGAL/RISK IMPLICATIONS BACKGROUND

- The Castle runs the risk of standing still and losing custom and confidence of the market without further investment. Loss of confidence and lack of investment will lead to lower customer visits and loss of income, which is a continuation of the current trend.
- Without continued growth, the infrastructure of the Castle and its preservation could become an issue.
- Developing and implementing the proposals could affect staff morale. This will be mitigated through briefing staff and engaging with them through the process.

SUSTAINABILITY IMPLICATIONS

The Castle needs to make necessary changes to the way it operates to ensure it remains competitive in its field and increase the number of visitors. Increased visitor numbers, activities and secondary spend will ensure the Castle has greater longevity as an attraction and the potential to deliver ongoing conservation of the building.

Increasing opportunities for the public to visit and ensuring that the service operates effectively and cost efficiently, will enable the Castle over time to reduce its subsidy by Tamworth Borough Council.

BACKGROUND INFORMATION

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REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

Report to Infrastructure Safety and Growth Scrutiny, 13th September, 2018

Report to Cabinet, 27th September, 2018

Report to Infrastructure Safety and Growth Scrutiny, 21st January 2019

Verbal Report to Infrastructure Safety and Growth Scrutiny 12th September 2019

Report to Infrastructure Safety and Growth Scrutiny, 24th November 2020.

APPENDICES

Appendix 1: Castle Review

Appendix 2: Consultation Responses

Appendix 3: Cost benefit analysis and recommendation priorities

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