



Report to: Cabinet Meeting - 6 December 2022

Portfolio Holder: Councillor Rhona Holloway, Economic Development & Visitors

Director Lead: Matthew Finch, Director - Communities & Environment

Lead Officer: Carys Coulton-Jones, Business Manager - Heritage & Culture, Ext. 5773

Report Summary	
<b>Type of Report</b>	Open, Key Decision
<b>Report Title</b>	Heritage & Culture National Portfolio Organisation Status and Strategic Development
<b>Purpose of Report</b>	To update Cabinet on Heritage & Culture’s successful application to become an Arts Council England National Portfolio Organisation, on the business unit’s recovery post-covid and in light of the cost of living crisis, and to reflect on the continuing challenges in the heritage sector and its effect on the museum service.
<b>Recommendations</b>	<p>That Cabinet:</p> <ul style="list-style-type: none"> <li>a) recognises the success of the National Portfolio Organisation application and that the agreed grant amount of £309,000 annually be added to the budget for the three years of the funding agreement from April 2023, to be drawn down from the Arts Council in stages, in line with their funding agreement;</li> <li>b) approve the addition of three new funded roles to the establishment for the three years of the funding agreement from April 2023;</li> <li>c) approve the establishment of an Independent Board, as previously agreed through Policy &amp; Finance Committee in March 2022, to meet the requirements of the National Portfolio Organisation status;</li> <li>d) approve a Cabinet Working Group to be set up to oversee the development of a refreshed strategy for Heritage &amp; Culture as outlined in the report;</li> <li>e) approve that a budget of £20,000 be set aside in 2023-24 to undertake an options appraisal to support delivery of an agreed future strategy for Heritage &amp; Culture; and</li> </ul>

	f) support the National Civil War Centre continuing to offer free entry to residents during school holidays and for key, targeted activity and events, supporting residents to access welcoming, engaging and warm spaces over the winter period through the cost of living crisis and to interact with our heritage and cultural offer.
<b>Alternative Options Considered</b>	Do nothing, service delivery would continue, but this option does not acknowledge the challenge currently being seen in town centres and with visitor admissions and will therefore not enable a pro-active response to ensure our service remains relevant and fit for purpose and reflects value for money for the Council.
<b>Reason for Recommendations</b>	<p>These recommendations align to the Community Plan by clearly defining and evaluating Heritage &amp; Culture’s remit and scope to:</p> <p>Deliver inclusive and sustainable economic growth through skills, educational development and the visitor economy;</p> <p>Improve the health and wellbeing of residents by responding to their needs through cultural engagement and outreach; and</p> <p>Create vibrant and self-sufficient local communities where residents actively contribute to their local area through co-creation via the NPO investment principles and activity.</p>

**1.0 Background**

- 1.1 Heritage & Culture operates the Palace Theatre, the National Civil War Centre – Newark Museum (NCWC), the Museum’s Resource Centre and Newark Castle and Gardens. The service provides an essential cultural offer to residents and has played a prominent role in the development of the visitor economy. The NCWC has nationally styled accreditation and tells the story of the British Civil Wars and their relevance today. Newark Museum preserves 95,000 objects including the internationally significant Newark Torc and connects people with their heritage through object storytelling and archive materials. The Palace has been centre stage in Newark for over 100 years, entertaining the district with a varied programme. Newark Castle, a scheduled ancient monument, has stood on the banks of the River Trent for nearly 900 years and is a key part of Newark’s history. Its Gardens offer welcome green space and an accessible and unique historic setting for activity and events.
- 1.2 Since the NCWC opened in 2015, the business unit has been through numerous changes, starting almost immediately with the integration of the Palace and the museum, creation of a new daytime café offer and combined visitor services with the Tourist Information Team, which created operational efficiencies, maximised opportunities for commercial activity such as conferences and events and led to the creation of the Heritage and Culture Business Unit. In 2019 Newark Castle was also brought under the umbrella of the service to create a more joined up, collaborative offer which also ensured that the professional expertise of the H&C team was able to assess the weaknesses and opportunities of the Castle site.

- 1.3 The transformation of the service has taken place against the backdrop of significant challenges in the wider landscape, from the four-year town-wide disruption of the Severn Trent works to covid and now the cost of living crisis. During covid, the majority of the buildings could not open to the public for an extended period of time, and numerous waves of restrictions, from social distancing and mask wearing to tier 3 closures, travel restrictions and the emergence of the Omicron, impacted on visitors' ability and willingness to visit indoor spaces. During this time, the theatre became an Emergency Food Hub working alongside the HART team, and the museum pivoted to offer online resources, home school assistance and outreach and engagement for isolated and vulnerable residents. Through prudent use of the furlough scheme, an operational review to reduce costs but also limit the opening hours of the business, and success with Culture Recovery Funding from the Arts Council, the business unit has been able to achieve its budget each year even when facing significant income losses.
- 1.4 In response to covid and the cost of living crisis the Heritage and Culture business unit has reimagined our offer to better meet the changing needs of residents as well as continuing to appeal to the tourism market. We have also reshaped and increased our schools programme, sought funding for key projects such as our Max Literacy creative writing project with 220 GCSE students to improve educational outcomes and raise aspirations, and delivered outreach and engagement to socio-economically deprived and under-represented communities through Arts Council England (ACE) culture recovery funding and the Gilstrap Trust.
- 1.5 Alongside this work, we have partnered with key local businesses and cultural institutions, including Inspire and Newark Town Council, to create a cultural consortium which is delivering a community-focussed cultural programme, funded by the High Street Heritage Action Zone. This responds to key objectives around increased activity and engagement in the HAZ area and has been led by consultation with residents. The consortium is currently developing a funding bid to the Arts Council's project grant fund for an additional £100,000 to deliver an exciting programme of art installations and events in the town centre throughout 2023. This bid will connect us and the Consortium more strongly with the economic regeneration agenda and the Cultural Heart of Newark Project which will match fund key elements of this work, reimagining and repurposing the town centre, piloting creative public realm and wayfinding interventions and driving footfall and dwell time.
- 1.6 Throughout this time, the business unit has remained ambitious and forward thinking, driving forward the plans for the £5.4 million Newark Castle Gatehouse Project through the Towns Fund and a successful Heritage Fund bid. These plans will create a new destination attraction for the town, however this project will not reach fruition until 2026. The business unit has also targeted prestigious National Portfolio Organisation status through ACE, first identified as an opportunity in Newark's Destination Management Plan and taken forward by Heritage and Culture as a key mechanism to lever additional cultural funding into the district specifically targeting underserved communities, increasing our reach through interventions across the district, driving footfall in the town centre through additional activity and supporting improved socio-economic benefits for residents. A report to Policy and Finance Committee in March 2022 identified the opportunities and ambition of this funding, and we subsequently submitted an application in May 2022.

- 1.7 The NPO process was highly competitive. A record 1,700 organisations applied nationally with bids totalling £674 million per annum, for an available budget of only £428 million per annum. In comparison, the previous round of NPOs funded 828 organisations with an annual budget of £416 million by year four.
- 1.8 In November, ACE announced 990 NPOs for 2023-26. NSDC's Heritage and Culture service was successful in being offered the full amount requested. This funding will create three new jobs and several opportunities for local freelance creatives and will deliver an agreed programme of activity across the district that meets the outcomes of ACE and aligns to the community plan, increasing cultural value within the district and positioning us as an industry leader within the region. It will also support development of our cultural strategy through ACE's four Investment Principles – Ambition and Quality, Environmental Responsibility, Inclusivity and Relevance, and Dynamism. As previously described to Policy and Finance Committee, part of the funding agreement is the creation of an independent Board to oversee the governance of this programme, which will need to be in place by April 2023.
- 1.9 Whilst the above approach has been positive, it is important to acknowledge the current challenges facing the heritage sector, which is still feeling the effects of the pandemic nationally, and which is set within the context of struggling town centres and reductions in footfall. The most recent data indicates that town centre footfall is on average 10.3% lower in 2022 compared to 2021, and business sales in 2022 have been approximately 20% lower than in 2021. The NCWC remains on reduced operating hours to contain costs and has been responding to the change in customer base, with the loss of some of our traditional, 65+ audiences post covid, a decrease in tourism and the changing environment for low income families feeling the impact of the cost of living crisis. We have experimented with free entry for residents during school holidays and events and have created targeted activity to increase engagement across our sites, working with partners such as the Foodbank.
- 1.10 The Audience Agency has reported lower attendance at exhibitions, galleries, museums, historic houses and castles than pre-pandemic across all types of heritage sites. The latest Visit Britain research indicates that visitor admissions across England remain at less than half of 2019 figures. As an example, in 2021 the Natural History Museum, London, recorded 1,571,413 visitors compared to 5,423,932 in 2019. This trend was reflected in last year's visitor numbers at the NCWC, which included 6 weeks of complete closure and the Christmas period where the Omicron variant was prevalent. In contrast, however, our schools programme has gone from strength to strength, with our highest ever annual figures in 2021-22. Our theatre programme is also showing signs of a quicker recovery, although shows are still subject to last minute booking and with a mix of productions both over and under-performing, leading to some unexpected variances within seasons.
- 1.11 Our revised approach to service delivery has yielded positive returns despite the continuing challenges:
- By end August, the NCWC had already achieved 83% of last year's visitor numbers (excluding schools)

- Interventions targeting residents and in response to the cost of living crisis have been successful, for example the Summer’s free entry Playhem campaign, designed to attract local families and link in with the Cultural Heart of Newark’s beach supporting increased footfall and spend within the town: 63% of visitors during August were residents, compared with only 26% last August. Analysis of postcode data in comparison to the Indices of Multiple Deprivation shows that, in August 2021 none of our visitors were from the two most deprived deciles, compared to 21% in August 2022.
- An exit survey asked visitors to rate their experience in the summer holiday. 96% of N&S residents said ‘I loved it’ compared to 93% of non-residents. Asked specifically about Playhem, 98% of residents said ‘I loved it’ compared to 93% of non-residents. This is in direct contrast to our previous visitor research, which indicated that, on average, residents rated their experience of the museum lower than visitors from further afield, indicating that residents’ perception of their visit is negatively affected by the price point.
- In addition to our on-site survey, feedback has been extracted from our social media feeds, which was overwhelmingly positive:
  - “Brilliant for all ages”
  - “I never thought a civil war museum would be so great for kids”
  - “Really enjoyed the day, would recommend”
- Current pantomime sales are on target with pre-covid figures and have already exceeded last year’s final sales figure.
- Our approach to inclusivity, engagement and outreach, targeting families, socio-economically deprived communities and reducing barriers to access is a key contributing factor to our successful Heritage Lottery and Arts Council England NPO applications.

## **2.0 Proposal**

- 2.1 As we continue to emerge from these global challenges and as we start our journey as an NPO it is timely to reflect upon the past few years and the new environment we are operating in. Ten years on from the development of the NCWC, there are continuing tensions between a national offer for a struggling tourism market and a local offer that is accessible, welcoming and supports a broad range of the community to engage with culture in their local area. It is essential that we clearly identify the cost and benefits to residents across the whole district and the value being produced – both social and economic – how this is reflected in our performance indicators and monitoring data, and how this can be enhanced by the delivery of our NPO objectives.
- 2.2 It is therefore proposed to set up a working group of the Cabinet to oversee the development of a refreshed strategy for Heritage and Culture, setting out the strategic objectives and identifying opportunities and options for future service delivery. As part of this, we will explore our terminology and understanding of our offer across our buildings and assets, events, outreach and education and the wider aspirations for the district. There will also be an option to work with external support to undertake an

options appraisal and analysis. This process will establish the strategic approach and provide assurance that the funding, objectives, performance measures and outcomes for all our major funding streams – NSDC, The Heritage Fund and Arts Council England – are aligned and agreed.

- 2.3 This proposal, alongside the development of our NPO plans, will support the Community Plan objectives, enabling the Heritage and Culture business unit to clearly identify and evaluate its place in *delivering inclusive and sustainable economic growth* through skills and educational development and the visitor economy, *improving the health and wellbeing of residents* by responding to their needs through cultural engagement and outreach, and *creating vibrant and self-sufficient local communities where residents actively contribute to their local area* through co-creation via the NPO investment principles and activity.

### **3.0 Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

#### **3.1 Financial Implications (FIN22-23/6342)**

The NPO grant is available from 2023/24 to 2025/26 and totals £927,000. It will need to be added to the revenue budget along with the three posts adding to the establishment.

- Programme Manager
- Creative Arts Officer
- Community Engagement and Partnership Development Officer

Other activity which the grant will be used for include:

- Fund 2 artists in residence each year to deliver workshops, and work creatively with disadvantaged communities
- Commission a major outreach project each year
- Deliver a language project working with diaspora communities and d/Deaf communities to better reflect their needs in our cultural activity
- Design and deliver a CPD programme for teachers and schools in the district
- Deliver an 'Our Heritage' project of workshops linked to our collection, co-create touring exhibitions across the district, and take our mini-museum on tour, to reach a wider audience and break down barriers to access
- Design and create both formal and informal learning programmes for the theatre that complements and enhances the work of the Learning and Participation team
- Deliver an annual festival in up to 3 locations across the district that celebrates the work of the community, creatives and organisations involved in the programme
- Increase our family offer and provide opportunities for young people to earn Arts Awards
- Deliver interventions to increase accessibility

Therefore, salary and other expenditure budgets will also need to be added to the revenue budget. Fully funded by the grant. If approved, £20,000 will also need to be added to the budget for one year only as a growth item. At 30 September, the forecast outturn on the Heritage Culture and Visitors Business Unit as a whole was £601,587, which is £11,908 under budget.

### **Background Papers and Published Documents**

None