

Committee(s)	Dated:
Culture, Heritage and Libraries	30/05/2017
Subject: Review of non-admission charges at Guildhall Art Gallery	Public
Report of: Peter Lisley, Assistant Town Clerk and Cultural Hub Director	For Decision
Report author: Elizabeth Scott, Head of Guildhall Art Gallery and London's Roman Amphitheatre	

Summary

Aligned with the City Corporation's Service Based Review, which promotes income growth to meet agreed savings targets, the Guildhall Art Gallery (GAG) has undertaken an informal benchmarking exercise and assessed the prices levied by similar London-based institutions against the set and variable rates it charges for its schools workshops, tours, and loans of artworks. New and previously uncharged service opportunities have also been identified as part of this work.

Based on this research, this report recommends increased charges for the majority of GAG's services and the introduction of a hire business for its Heritage Study Room for which a 25% reduction is proposed for bookings from City Corporation departments.

Over the year, the new pricing schedule is likely to return an increase in net income of £3,090 for GAG without proving cost prohibitive to the sectors and communities it serves. This figure, which may only be achieved if demand is consistent with previous years, represents a little under 1% of GAG's total local risk budget and, as such, will help towards rebalancing planned savings at a time when resources are stretched more than ever.

Recommendation(s)

Members are asked to:

- Approve the charges as set out in item 17 which, in summary, are an increase of 5% for the majority of GAG's services except behind-the-scenes tours for which a 100% increase is proposed;
- Approve the hire rates for the Heritage Study Room at £40 per hour or £250 for a full day (the room not previously having been let); and
- Approve a 25% discount on hire fees for the Heritage Study Room for City Corporation departments and Members.

Main Report

Background

1. The Guildhall Art Gallery (GAG) relies heavily on its ability to generate income from services and programmes. In 2017/18, an income target of £70,000 has been set. This represents almost 20% of its total local risk budget.
2. To help meet this target, to offset, in part, proposed savings of 2% to local risk budgets in 2018/19, and to ensure all revenue channels are delivering best value for the GAG, a review of charging has taken place and a new pricing schedule is proposed.
3. Whilst admission to Guildhall Art Gallery (GAG) is free, some of its temporary exhibitions are charged. This report does not consider these charges which are calculated on a case-by-case basis and aligned with the content, expense and anticipated footfall of the exhibition.
4. In addition to exhibition admissions, GAG also charges for:
 - a. Schools workshops;
 - b. Tours, provided by City Guides and staff;
 - c. Loans of artworks to other museums and galleries;
 - d. Image reproductions; and
 - e. Filming permissions.
5. From this list, GAG sets prices for items 1a to 1c only (prices for image reproductions are aligned to standard *Collage* charges (set by the London Metropolitan Archives) and filming permissions are negotiated on a case-by-case basis by your Film Office). The current charges reviewed under the new schedule in item 17 are therefore limited to these three areas.
6. The GAG's Heritage Study Room was completed in September 2014, at the same time as the launch of the City of London Heritage Gallery. To date, it has been used by the Gallery team for meetings and workshops with community and education groups. When it is not being used, there is an opportunity to make it available for hire and so generate income. No hire charge has previously been levied for this facility.
7. To ensure charges for the Room are aligned with other venue-for-hire assets at Guildhall, the City Centre and the City Business Library have been consulted. The library has also provided advice regarding booking procedures and terms and conditions for room use.

Current Position

8. The 2016-17 prices for schools workshops, tours and loans are given in the table below alongside the proposed increases. An outline of current market rates for similar services provided by other organisations is also shown.

9. Charging for schools workshops (maximum 30 children) was introduced in 2013-14 (self-guided school groups can still visit the GAG for free), aligning the GAG with industry practice. Typically, museums and heritage sites charge in the region of £3 to £4 per child for a workshop, with some charging per child and others a set price for the class.
10. The GAG offers free, introductory tours led by volunteer City Guides. Longer, more in-depth tours by City Guides are also available for pre-booked groups. For these, the guides receive a fee and the GAG a modest commission. Curator or staff-led tours are offered at a premium. For out-of-hours tours, there is an increased charge to cover additional staff and security costs. This pricing also aligns with industry standards.
11. The GAG regularly loans paintings to museums and galleries in the UK and abroad for public exhibitions, where the host can meet the GAG's loan conditions. This increases public access to the collection and raises the profile of the GAG and the City Corporation. In line with shared practice across most of the sector, the GAG does not charge a loan fee to UK institutions. It does, however, recover costs associated with the loan, including those for conservation work and for replacing a painting if the requested work is on public display (an 'on display charge'). For international loans, a loan fee is charged.
12. From the charges considered under this report, the GAG realised a net income of c. £7,500 in 2016/17.

Proposals

13. It is proposed to increase the majority of GAG's service charges from July 2017 by at least 5% in order to deliver c. £3,090 in additional net income. This figure may only be achieved if demand is consistent with previous years.
14. In addition, it is proposed to increase the cost of a behind-the-scenes tour by 100%, from £100 to £200 per group. The reason for this significant increase is not only because these tours are unique and have considerable marketability, but also because they need two members of staff to facilitate them due to space constraints and security requirements, thus current margins are very narrow.
15. For hire of the Heritage Study Room, staff at the City Centre and the City Business Library have advised charging between £35 and £60 per hour based on their knowledge of room hire rates in the Guildhall complex and the local area. Since this is a new offer, it is proposed to begin by hiring the room at a rate of £40 per hour, with a discount for a full day's hire (£250). If the offer is successful, the possibility of increasing the rate will be considered as part of another pricing review in 2018/19.
16. At the same time, it is proposed to introduce a 25% discount for City of London Corporation departments booking the Heritage Study Room in order to support internal partners and to encourage take-up.
17. The existing and proposed charges are set out in the table below:

	CHARGE 2016-17	PROPOSED CHARGE 2017-18	NET INCOME INCREASE FOR GALLERY 2017-18*	INDUSTRY BENCHMARK
EDUCATION (per group of 30)				
Schools Workshop	£100	£105	£135	Geffrye Museum / Horniman Museum / Courtauld Institute / Barber Institute: £70- £135
TOURS OF THE GALLERY OR AMPHITHEATRE (per group of 25)				
City Guide Tour (includes GAG fee)	£100	£105	£55	Geffrye Museum / Barber Institute / Wallace Collection / Dulwich Picture Gallery: £70-£200
Staff-led Tour	£150	£160	£20	Geffrye Museum / Barber Institute / Wallace Collection / Dulwich Picture Gallery: £70-£200
Behind the Scenes Tour	£100	£200	£400	Each museum / gallery has its own range of fees for covering special access visits – these are determined by perceived demand
City Guide Tour: Out of Hours (includes GAG fee)	£166	£175	£10	Each museum / gallery has its own range of fees for covering special access visits – these are determined by perceived demand
Staff-led Tour: Out of Hours	N/A	£210	£630	Each museum / gallery has its own range of fees for covering special access visits – these are determined by perceived demand
LOANS OF COLLECTION ITEMS				
UK loan fees per item (store)	£75 (+VAT)	£80 (+VAT)	£20	Each museum / gallery has its own standards, with a full range of fees covering different elements (from £0- £1,000)
UK loan fees per item (on display)	£275 (+VAT)	£290 (+VAT)	£30	Each museum / gallery has its own standards, with a full range of fees covering different elements (from £0- £1,000)

	CHARGE 2016-17	PROPOSED CHARGE 2017-18	NET INCOME INCREASE FOR GALLERY 2017-18*	INDUSTRY BENCHMARK
LOANS OF COLLECTION ITEMS cont'd				
International loan fees per item (store)	£675 (+VAT)	£710 (+VAT)	£30	Each museum / gallery has its own standards, with a full range of fees covering different elements (from £0-£1,000)
International loan fees per item (on display)	£875 (+VAT)	£920 (+VAT)	£225	Each museum / gallery has its own standards, with a full range of fees covering different elements (from £0-£1,000)
Conservation preparation fees	£50/hr (+VAT)	£55/hr (+VAT)	£135	N/A
ROOM HIRE				
Heritage Study Room (hr rate)	N/A	£40	£ 400	Advice received from The City Centre / City Business Library
Heritage Study Room (day rate)	N/A	£250	£1,000	Advice received from The City Centre / City Business Library
Total increase in net income*			£3,090	

* Net increase for 2017-18 is based on income as seen in 2016-17, and on current / projected bookings and requests - but could go up or down.

Corporate & Strategic Implications

18. These proposals support the GAG's objective to increase earned income and will support its public exhibitions and events programme which operates on a minimal budget with little to no room for flexibility.

19. Increases are benchmarked against industry standards; they are also aligned with the City Corporation's Service Based Review in that they deliver income growth as a means to support services and meet savings.

Implications

20. The City Solicitor will be consulted regarding terms and conditions for hire of the Heritage Study Room before this is offered to the public.

Conclusion

21. This report recommends modest increases on the majority of GAG charges, and a larger increase for behind-the-scenes tours, which, through market testing, it has been established are under-priced. It also recommends charges for the hire of the Heritage Study Room that are in line with other rooms for hire within the Guildhall Complex.

22. In an environment where cultural assets are being strongly encouraged to deliver an ever-greater proportion of their income through commercial and private sector sources, and following local savings targets that the GAG has met under the City Corporation's Service Based Review, the revised pricing schedule is a timely and appropriate proposal that will help – in some small way – to support the Gallery's public exhibitions and events programme going forward.

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