

## Friends of Snibston

# Snibston Discovery Museum Business Plan

**A proposal and business rationale for the future of Snibston  
Discovery Museum and site.**



**Submitted to Leicestershire County Council on the 21<sup>st</sup> July 2014 as part of  
the Snibston Discovery Museum consultation.**

<b>Contents</b>	<b>Page</b>
1. Introduction	3
2. Executive Summary	4
3. Friends of Snibston Mission Statement	4
4. Friends of Snibston Vision	4
5. FoS Aims and Objectives for an independent Snibston Discovery Museum	5
6. Background	8
7. Business Rationale	9
8. Project SWOT Analysis	6
8.1 New Independent Charitable Organisation (Trust)	9/10
8.2 Derby Museums Trust	10/11
9. Development Plan	11
9.1 Marketing Strategy	12
9.2 Audience Development	13
9.3 Tourism	13
9.4 Access	14
9.5 E-commerce and Sales	14
9.6 Creativity and Innovation	14
9.7 Long Life learning	15
10. Human Resources	15
10.1 Direct Employment	15
10.2 Indirect Employment	16
10.3 Volunteering	16
11. Financial Appraisal	17
12. Efficiency Saving Related to an Independent Charitable Organisation Operation	21
12.1 Pay Back on Grants and land	21
12.2 Return on Investments	21
12.3 Off-site Venues – exhibitions and Storage	21
13. Economic dependencies	21
14. Inward Investment	22
14.1 Tax and Other Savings	22
14.2 Increased Operational Income	22
14.3 Golf Driving Range	22
14.4 Grants	22
14.5 Trading Company	24
14.6 Sponsorship, Bequeaths and Covenants	24
14.7 Support in Kind	24
15. Partners and Stakeholders	24
16. Collections Management	25
17. Infrastructure Schedule of Repairs and Maintenance	26
18. Legal Considerations – Permissions and Constraints	26
19. Governance	27
19.1 Draft SDM Governance Structure for Charitable Trust	28
20. Business Continuity Risk Assessment	29
21. Conclusion	30
Appendices	32
Appendix 1 Financial Notes	32

## Snibston Discovery Museum

### Business Plan

#### 1. Introduction.

This Business plan is presented to the Leader and Chief Executive of Leicestershire County Council as a proposal from the Friends of Snibston to avert the closure and demolition and enable an alternative bright future for Snibston Discovery Museum.

The Friends of Snibston are opposed to the transformation of Snibston Discovery Museum into a Mining Museum. By retaining the current museum and historic site layout the Friends of Snibston suggest the benefits are as follows;

- Retention of the Heritage Lottery funded Fashion display and Century Theatre on the terms for which both were grant funded for education benefit and gallery linked events and activities.
- Retention of the collections on site without need for the potential cost involved with their removal, dis-aggregation or loss.
- Sustain local community value and economic benefits (ROI) and the potential to increase both through independent status.
- Access to significant Arts Council and/or Heritage Lottery funds to kick start independent status and support sustainable operations in the future. The current mining museum proposal will damage current relations with both organisations.
- Enable constructive working with English heritage to remove the scheduled ancient monument from the Buildings at Risk register with a sustainable conservation management plan and agreed heritage setting. The current proposal does not enable this despite LCC having spent around £2 million on the scheduled ancient monument.
- Making the savings identified in the MTFs.

The Friends of Snibston propose that an independent charitable organisation could take on the operation of Snibston in its current form. This can only be feasible and achievable, however, with the support and co-operation of Leicestershire County Council, North West Leicestershire District Council as well as national agencies e.g. Charities Commission, Arts Council (England), Museums Association, Heritage Lottery Fund, English Heritage and local agencies including the North West Leicestershire Chamber of Commerce, local businesses, local people and other statutory and non-statutory community providers.

The Friends of Snibston hope that this proposal is favourably considered by Leicestershire County Council as part of the consultation process.

Brian Vollar, Chair of the Friends of Snibston

## 2. Executive Summary

This Business Plan has been created by the Friends of Snibston (FoS) in response to Leicestershire County Council's (LCC) consultation on the future of Snibston Discovery Museum (SDM). The synopsis of the Business Plan is to look at new ways of working for SDM that delivers a cohesive and inclusive cultural facility but acknowledges the savings necessary by LCC.

The purpose of the BP is for FoS to propose an alternative operational model for SDM. The BP outlines the proposed transition of SDM from direct local authority management to an independent charitable organisation either working separately or in partnership with Derby Museums Trust, given that Mohammed Suleman, their Director of Resources has demonstrated a tangible interest by submitting a Business Plan to LCC.

Following on from the OBC submitted to LCC on 7<sup>th</sup> July this BP is based on FoS preferred options. If approved this business plan will require FoS and/or Derby Museums Trust and LCC to work together to develop a resilient business model. Without LCC assistance and encouragement the success of an independent charitable organisation is hampered.

FoS primary objectives within this proposal are;

1. Ensure that SDM is maintained in its current size, format and objectives i.e. a museum gallery with historic pit top, outside interactives and displays, railway and Country Park.
2. Expanded current services and to explore management and governance structures either independently or in partnership.
3. Assist LCC in their transformation of the services to alternative ways of working through a robust business plan and ensure that savings are made for the authority.
4. Provide an educational facility for lifelong learning.
5. Support the national STEM initiative in partnership with schools and educational bodies.
6. Support skills development and community/individual wellbeing
7. Support the local economy.
8. Support creative industries.
9. Encourage visitors to the area.
10. Support the local community through volunteering, pride in the heritage and locality and as a community venue and resource.

FoS recognise the need for LCC to make a 30% saving against published annual running cost of SDM but feel the proposed Mining Museum is an option which is not representative of the whole industrial, scientific and technological culture of Leicestershire. FoS believes the only model to retain the current level of service is to transfer the operation and management to an independent charitable organisation.

## 3. FoS Mission Statement

Snibston Discovery Museum – Inspiring the future through the past.

## 4. FoS Vision

- To ensure that SDM continues to provide an inspirational learning facility, community engagement, preservation of the cultural heritage and provide a fun day out.

- It will ensure the cultural heritage of the county and immediate region is represented through the science, technology, industry and culture representing the local businesses, communities and people – past and present.
- Contribute to community and individual wellbeing through a sense of pride and place, volunteering, NEETs learning opportunities and local health trusts/providers.
- Provide employment opportunities through direct and indirect service provision and creating of apprenticeship scheme.
- Showcase for local educational institutions, businesses, industries and communities.
- Establish robust and resilient governance for the economic sustainability of SDM.
- Continue to preserve and conserve the culture and memories of the local communities and industries.

## 5. FoS Aims and Objectives for an Independent Snibston Discovery Museum

Aim	Objective
<b>Provide a cohesive and inclusive museum</b>	<ul style="list-style-type: none"> <li>• Maintain the current Discovery Museum gallery and site.</li> <li>• Work with partners to ensure service delivery is maintained.</li> <li>• Tell a diverse story of Leicestershire science, technology, engineering, industry and culture.</li> </ul>
<b>Provide formal and informal learning opportunities</b>	<ul style="list-style-type: none"> <li>• Continue to delivery schools resources.</li> <li>• Create new educational resources.</li> <li>• Encourage experimental learning through interactive hands-on.</li> <li>• Work in partnership with educational providers.</li> <li>• Ensure the museum interpretation offers a learning resource for schools and colleges.</li> </ul>
<b>Assist with the local skills development</b>	<ul style="list-style-type: none"> <li>• Work in partnership with DWP, local businesses, colleges, social services and health service providers to provide apprenticeships, work experience and training.</li> </ul>
<b>Contribute to the health and wellbeing of the local NWL community</b>	<ul style="list-style-type: none"> <li>• Provide resources and facilities for health care providers e.g. reminiscence resources and training, intergenerational awareness, etc.</li> <li>• Contribute to the sense of pride for the local community in Snibston Discovery Museum</li> <li>• Provide a sense of place to young and old.</li> <li>• Encourage volunteering.</li> <li>• Work with special needs providers and provide work placements and work experience.</li> </ul>
<b>Implement a programme of conservation for the site and its historic structures</b>	<ul style="list-style-type: none"> <li>• Work with English Heritage to ensure conservation plans, statements and delivery are professional and targeted.</li> </ul>
<b>Encourage business development</b>	<ul style="list-style-type: none"> <li>• Provide incubation space for new businesses.</li> <li>• Provide workshop space for established businesses.</li> </ul>
<b>Provide a stimulus to local</b>	<ul style="list-style-type: none"> <li>• Work in partnership with other heritage and cultural</li> </ul>

---

<b>economic development and sustainability</b>	<p>providers to promote North West Leicestershire.</p> <ul style="list-style-type: none"><li>• Provide a first-class museum and site to encourage visitors to the area.</li><li>• Provide events in partnership with other providers to encourage overnight stays.</li></ul>
<b>Increase visitor numbers</b>	<ul style="list-style-type: none"><li>• Ensure there is a targeted and robust marketing programme aimed at new and repeat visitors</li><li>• Maintain the annual ticket service and a pricing regime that is inclusive and affordable.</li><li>• Work in partnership with other heritage/cultural providers for a co-operative marketing programme.</li><li>• Work with other heritage/cultural providers to develop a marketing strategy for the area.</li></ul>
<b>Contribute to the local economy through tourism</b>	<ul style="list-style-type: none"><li>• Provide a first-class venue of regional and national importance.</li><li>• Continue to provide a diverse approach to science, technology, history and arts through the use of inspirational and imaginative displays, interactives, events and activities.</li><li>• Work in partnership with other heritage/cultural providers to promote an inclusive tourism experience.</li><li>• Maintain and improve the outputs identified through the STEAM analysis by maintaining the museum's current contribution of around £4m annually to the local economy.</li><li>• To work in partnership with the Chamber of Commerce and other regional economic development agencies e.g. LEPs to provide support and information for the economic benefits of the area.</li></ul>
<b>Contribute to the local community through engagement</b>	<ul style="list-style-type: none"><li>• Continue to work with work place agencies for the employment of people with learning difficulties and special needs.</li><li>• To provide a sense of pride to the people of the Coalville and Leicestershire.</li><li>• Encourage the community involvement at the museum through events, exhibitions and activities.</li><li>• To provide resources to other wellbeing and care providers through handling collections, reminiscence and outreach project.</li><li>• Ensure the site has a vibrant and growing volunteer group to provide a social network, skills development and meaningful activity engagement.</li><li>• To work with LEPs, DfW&amp;P, charitable organisations to assist with providing work experience and silks development to young people or unemployed in their quest to find new skills and employment.</li></ul>
<b>Provide access to the heritage</b>	<ul style="list-style-type: none"><li>• To provide an inclusive, varied and relevant approach to the interpretation, celebration, commemoration and inspiration of all aspects of the history of Leicestershire</li></ul>

---

	<p>and the regional history.</p> <ul style="list-style-type: none"> <li>• Ensure all the interpretation, exhibitions, events and activities are accessible to all regardless of ability.</li> </ul>
<b>Provide a base for the Big Society – volunteering and community engagement</b>	<ul style="list-style-type: none"> <li>• Encourage local input to the direction of the museum/country park by creating a local community focus group and inviting members to represent the local community through an alternative management structure and governance.</li> <li>• Continue to provide a venue for volunteering.</li> <li>• Provide facilities for local community groups.</li> </ul>
<b>Create robust and sustainable financial management</b>	<ul style="list-style-type: none"> <li>• Through competitive tendering and robust procurement process it is envisaged that saving can be made to revenue expenditure.</li> <li>• To have a robust financial management procedure.</li> <li>• To increase the income from visitors, events, corporate and partnership funding.</li> <li>• Through alternative governance ensure savings are made through charitable financial incentives.</li> </ul>
<b>Provide a local employment – direct and indirect</b>	<ul style="list-style-type: none"> <li>• Provide direct employment for unskilled and skilled workforce.</li> <li>• Provide work experience for young and redundant people who are long term unemployed.</li> <li>• Provide apprenticeships in countryside management, visitor services, and creative industries.</li> <li>• Create incubation space and other work space for new and existing companies who are sole or multiple employers.</li> <li>• Provide a tourist venue that will contribute to the wider economy and encourage both permanent and season employment opportunities.</li> <li>• Provide work for people with learning difficulties or special needs through partnership working with local, regional and government agencies.</li> </ul>
<b>Ensure there is inward investment to the museum and site</b>	<ul style="list-style-type: none"> <li>• Ensure the museum is accessible to all users.</li> <li>• Create a museum that is inclusive in its visitor appeal and interpretation.</li> <li>• Apply for local, regional and national grants for exhibitions, education, environmental works, health and wellbeing, employment and community engagement</li> <li>• Work in partnership with other heritage/cultural providers in the application of grants.</li> <li>• Increase the sponsorship, bequests and covenant potential of the museum.</li> <li>• Provide rental space for existing and start-up businesses and especially in the creative industries.</li> </ul>
<b>Work with stakeholders and</b>	<ul style="list-style-type: none"> <li>• Work with other heritage/cultural providers, local</li> </ul>

---

<b>partners</b>	authorities, government, national bodies and organisations, health and wellbeing agencies, local communities and businesses to assist with the long-term sustainability and resilience of the museum and site.
-----------------	--

---

## 6. Background

Snibston Discovery Museum is located on the site of the historic Snibston Colliery. Sunk in 1832/33 by George Stephenson, and managed by his brother James. The pit was, in the words of Stephenson, “*the most profitable enterprise I have ever undertaken*”. During the 20<sup>th</sup> century the colliery experienced a series of major development with the introduction of coal getting machines around 1900, the sinking of a third shaft (Stephenson Pit) during the Great War, NCB nationalisation in 1947 and a major reconfiguration of the screening plant, winding, ventilation and adding a coking plant during the 1960s and 1970s. By 1980 Snibston Colliery was one of the few Midland collieries to extract over a million tons of coal per year and was a model pit for surface and underground arrangement and management.

In 1986 the colliery closed and Leicestershire County Council through its Museums, Arts and Records Services bought the site with the objective of creating a new ‘industrial’ museum devoted to the county’s science, technology and industry and preserving the historic pit top and making it accessible to the public. The new museum was entirely funded by Leicestershire County Council and cost around £3.5m which included the construction of a purpose built gallery building (the largest purpose built science and industry museum since the Science Museum extension at South Kensington in the 1950s), the restoration of the pit top and lamp room buildings, conversion of NCB buildings to conservation workshops and museum stores, the relocation of Sheepy Magna historic wheelwrights workshop and creation of an outdoor science playground, the first in the UK. Snibston Discovery Park opened on the 27<sup>th</sup> June 1992.

In the first 3 years of operation the museum was awarded 13 regional and national interpretation, tourism and visitor service awards. In 1996 it was also included in the Guinness Book of Records as the venue for the ‘World Record Penny Farthing Stack’. By 1998 the historic pit top was designated by the Secretary of State, on advice from English Heritage, a scheduled ancient monument and around the same time the volunteers at Snibston had re-laid and began running a standard gauge mineral railway line through the site.

In 1997 Leicestershire Museum, Arts and Record Service was divided into three separate services as part of national local government reorganisation; Leicestershire, Leicester City and Rutland County. As a consequence of the split the collections were designated to various authorities with Leicester and Leicestershire taking the lead on collection that were relevant to their particular service. An agreement was entered into with Leicester City Council that any artefacts on display will be retained on loan by Snibston.

At its meeting on the 19<sup>th</sup> February 2014 LCC agreed the MTFs with saving requirement for the period 2013/14 to 2017/18 of £110 million. The saving for Snibston was to be around 35% i.e. £240,000 of an annual subsidy of around £800,000. This cut could not be sustainable for the running of the museum in its current form and it was proposed to scale back the site to a small colliery mining museum to be formed around the scheduled ancient monument (SAM) and associated buildings. The Century Theatre would be retained along with part of the outdoor play area and shortened mineral railway line. A small new car park and road from Ashby Road onto the site was also in the proposal. The existing museum gallery, however, would be closed and pulled down, with the land sold off.

The Friends of Snibston group was established in 2012 following the decision by LCC at the end of 2011 not to proceed with a HLF funding bid for the Mining Lives project. Composed entirely of volunteers the group soon became organised and formulated a constitution in July 2012. The aim of FoS was “to protect, promote and develop Snibston Discovery Park” inclusive of the museum, Century Theatre and Country Park. Following the LCC 2013/14 budget consultation the FoS organised a petition and achieved a higher response rate with over 8000 signatories expressing support for SDP including the existing museum. It is this evidence of overwhelming public support for Snibston that has empowered FOS to explore all possible means of exploring its sustainable future. The group now has, among its members and supporters, significant and wide ranging expertise, from the fields of business, museum heritage, accountancy, the law and higher education.

## 7. Business Rationale.

The annual running costs for SDM are in the region of £800,000 pa (figures provided by LCC). And these are likely to rise over the next 3 – 5 years. FoS are in the firm belief that these annual running costs for the site and museum can be reduced through alternative management and operations.

The governance for the museum and site would benefit from the site being managed in one of the following two models:

- A charitable organisation with a board of management representing the local industry, community and elected representatives.
- Derby Museums Trust taking operational management direct or indirectly through a commissioning process in partnership with the local authority or other agencies.

Each model would allow the site to be run cost effectively on a semi commercial basis and benefit from revenue savings and potential grant incentives.

The timetable for the implementation of an alternative independent governance structure would take around 12 months from LCC giving a green light to progress.

The FoS in partnership with LCC would assist with the transformation and would continue to assist the museum and site through volunteer provision and event support.

The site would be managed on a day to day basis by an independent Board of Trustees in partnership with the principle stakeholders, e.g. English Heritage, Natural England, LCC and NWLDC.

## 8. Project SWOT Analysis

### 8.1 New Independent Charitable Organisation (Trust)

#### Strengths

- Independent organisation
- Representation from LAs, cross party members, businesses, community
- Friends of Snibston
- Management cost efficiencies
- Established visitor attraction
- Operational will and dedication
- User loyalty
- Cohesive and inclusive visitor

#### Weaknesses

- Funds required to establish trust
- All staff TUPED
- Facilities not transferred to trust
- Suitable trustees are not forthcoming
- Timeframe for full vision realisation
- Releases less land for LCC house building strategy

	<ul style="list-style-type: none"> <li>attraction</li> <li>• Will contribute to the wider regeneration of Coalville.</li> <li>• Diversity of attractions</li> <li>• Century Theatre</li> <li>• Location</li> <li>• Existing partnerships</li> <li>• National organisations support and advice</li> <li>• Outside Science Play</li> <li>• Community support</li> <li>• Discovery Museum survives</li> <li>• LCC achieves revenue cuts sought</li> <li>• Continued involvement and access to the heritage/culture</li> <li>• Source of pride for the people of NW Leicestershire and beyond</li> <li>• Volunteers</li> <li>• Community support</li> </ul>		
Opportunities	<ul style="list-style-type: none"> <li>• Grants and external funding</li> <li>• Volunteer development</li> <li>• Re-launch/marketing strategy</li> <li>• Development of apprenticeships and skill development for young people</li> <li>• Engage with local professional as trustees</li> <li>• New partnerships</li> <li>• Shared services with other local independent heritage sector</li> <li>• Commercial income</li> <li>• Increase in visitors numbers</li> <li>• Potential refurbishment of the displays reflecting a contemporary dynamic approach to interpretation</li> <li>• Contribute to the wider regeneration of Coalville.</li> <li>• Opportunity for a LA/Independent museum joint partnership</li> <li>• Significant NNDR benefits</li> <li>• Significant tax benefits</li> <li>• Continued employment of Snibston staff and potential for apprenticeship employment</li> </ul>	<ul style="list-style-type: none"> <li>• Charity Commission refuse application</li> <li>• Financial stability</li> <li>• LCC refuse to co-operate</li> <li>• Fall in visitor figures through transitional period</li> <li>• Lack of external funding</li> <li>• Lack of professional trustees</li> </ul>	Threats

### 8.2 Derby Museums Trust

Strengths	<ul style="list-style-type: none"> <li>• Established Trust</li> <li>• Financial stability</li> <li>• Knowledge pool</li> <li>• Financial and legal requirements in place</li> <li>• Location</li> <li>• Operational size and cost efficiencies</li> <li>• Operational will and dedication</li> <li>• Shared staffing</li> </ul>	<ul style="list-style-type: none"> <li>• Geographical – trust from another area</li> <li>• Lack of local community awareness and needs</li> <li>• Inflexibility</li> <li>• Too big an organisation</li> <li>• Releases less land for LCC house building strategy</li> </ul>	Weaknesses
-----------	---	---	------------

- 
- Friends of Snibston
  - Century Theatre
  - Outside Science play
  - Museum survives
  - LCC achieves revenue cuts sought
  - Increase in visitors
  - Potential refurbishment of the displays reflecting a contemporary dynamic approach to interpretation
  - Will contribute to the wider regeneration of Coalville.

---

**Opportunities**

- Partnership working with another heritage provider
- LA/Trust partnership/joint working
- Shared services and strategies
- Development of new partnerships
- Wider marketing for visitors and education
- Re-launch
- Continued employment of Snibston staff and potential for apprenticeship employment
- Potential refurbishment of the displays reflecting a contemporary dynamic approach to interpretation
- Contribute to the wider regeneration of Coalville.
- Opportunity for a LA/Independent museum joint partnership
- Significant NNDR benefits
- Significant tax benefits
- Continued employment of Snibston staff and potential for apprenticeship employment

**Threats**

- Financial and asset stripping
  - Lack of local community involvement
  - LA regards outside geographical area organisation as undesirable
  - Withdraw of support from stakeholders/partners
  - Lack of strategic clarity
  - Name of trust – SDM could be a second-class partner
- 

## 9. Development Plan

It is the firm belief of FoS that whoever and however Snibston develops in the near future it will need to change, but FoS are convinced these changes can maintain the site in its current configuration with reference to the following;

- The recent changes in the immediate landscape will necessitate the future of SDM to look at alternative access arrangements.
- Savings to be made to facilities management e.g. service contracts and staffing levels.
- Opportunities for external funding e.g. grants and sponsorship.
- Providing a wider more inclusive approach to events and commercial activities.
- Increasing the dependence towards commercial letting of administration and engineering space and encourage business and employment opportunities through business incubation and other workspace.
- That the learning offer will be widened to include apprenticeships and skills development for local young people and older people wishing to re-skill in partnership with the Department for Work and Pensions, business and colleges.

## 9.1 Marketing Strategy

Promoting the SDM is essential to maximize the visitor, educational and commercial potential and the marketing strategy will reflect different marketing approaches.

SDM current visitor figures are around 90,000 p.a. This is in the top five visitor attractions in Leicestershire (others are National Space Centre, New Walk Museum, Conkers, and Caulk Abbey). Within the last three years the visitor figure has fallen by about 10% and the audience development plan and marketing strategy will need to address this as a priority.

The change in operational delivery will be an opportunity for a renewed marketing campaign. In addition a local partnership with other heritage/cultural providers could also stimulate a revitalised marketing campaign.

Marketing budgets can be flexible but it is recognised that this will need to be high over the next 3 years to reverse the fall in visitor/customer number and increase events and activities. An important consideration in any strategy is the maximization of social media communications, i.e. Facebook, Twitter, etc. These are free to set-up and can reach vast numbers of people at no cost. The project has an account with both sites.

Free advertising can be obtained through editorials. The site is already well known within the specialist press and the importance of the site and the national commemoration of World War 1 will enable the trust to maximize the editorial potential through national newspapers, heritage magazines, aviation press and national/local radio and television.

An important marketing outlet is the digital media and internet a new website must 'grab' the viewer as quickly as possible with something unusual. In addition twitter, Facebook and You Tube accounts will be developed and utilised.

Advertising space would be bought in national and local press and magazines (with paid advertising space often comes free editorial space) and a printed leaflet distributed through the national tourism distribution networks. A marketing campaign would include producing a full colour flier/leaflet. This method of marketing is still cost effective and a 50,000 print run with artwork would cost in the region of £3,000.

Educational marketing would be approached through the development of a newsletter distributed electronically to regional and local school networks. For local schools it would also include a programme of inset days for teachers.

Commercial marketing of the workshops/hangars would be through an agent on an agreed commission and managed by the Business/Site Manager.

In addition to the marketing of SDM the potential for increased usage and visitor footfall can be applied to the Century Theatre, outside facilities e.g. car park/events arena, Sheepy Magna and the Science playground. Attention will be shown toward the digital access of commercial information, retail, interpretation, educational resources and marketing.

Although it is an objective to work in partnership with other tourist attractions and service providers initially the site will need to produce its own marketing strategy and plan.

The strategy and plan takes into consideration three elements of successful marketing.

Printed Information. Off-site interpretation boards/posters located at key locations, leaflets and guides, fliers and posters and magazine/newspaper editorial and articles

Volunteer Staff. Training in front of house best practise. The site will seek VAQAS and PQAS accreditation. Training in historical facts, telephone training and guiding skills

Digital Technology. The charitable company will implement a series of digital marketing opportunities through mobile phone technology, Internet and downloads. These will include up to date information e.g. parking, events, weather conditions (which may affect events) etc. Self-guided download tours and trails, educational information, group booking and coach party information and access and digital postcards. The website and site will operate a 'guided tour' interactive web-cam installation enabling remote viewing of the interior of the sites buildings and videos of past activities and events. There will also be a proactive use of social networking sites e.g. 'Trip Advisor'.

## 9.2 Audience Development

Visitor numbers have fluctuated over the last three years (2010 – 2013) between 80 – 100,000 pa.

The transformation of delivery model for the museum from local authority to independent charitable organisation could have a number of benefits towards the audience development;

- a refreshing of the visitor offer i.e. new exhibitions, interactives and events programme
- A positive marketing approach – a re-launch,
- Targeted publicity
- Capitalising on the recent media interest towards a positive message
- Work in partnership with tourism organisations and other attractions
- Up-turn in the economy
- Continue the museum as a centre for science and technology excellence

It is anticipated that through these approaches the visitor figure will be increased around 30% pa accounting for between 18,000 – 30,000 additional visitors per year. This will bring an estimated additional income of around an additional £100,000 pa thus contributing to long-term sustainability.

The strength of a multi-discipline approach to SDM is an obvious visitor draw and access to the Century Theatre, Science Play, Pit Top and museum will maximise the visitor potential. Close partnership working with LCC will also benefit from an increase usage for the country park element of the site.

## 9.3 Tourism

SDM is a major tourist attraction in the East Midlands and is essential to the economic development of North West Leicestershire. It is VAQAS accredited and a member of the national and regional tourism organisations. Since its opening in 1992 it has been awarded many tourism awards in recognition of its innovative and family friendly approach to museum visiting. It attracts a wider clientele than most museums due to its unique emphasis on hands on, inspiring, innovative and fun learning experiences.

The current visitor profile for SDM shows that 45% of the visitors are family groups and that 54% are children and 39% adults. This is an extremely health starting point for a trust and a credit to LCC in its vision and management.

The site offers a multiple approach to tourism; catering for those interested in the heritage and industry, those who seek a more active experience – play area and hands-on, ancestral tourism – people researching their family history and wish to see the place where their ancestor lived and

worked, or those who are seeking a mix of experiences such as natural history, heritage and relaxing areas. The Century Theatre and special events e.g. Miner Gala also provides cultural tourism. There are areas of improvement and the increase in visitor figures (see above) is crucial to the sustainability of a trust.

The economic benefits of tourism have been outlined throughout this Business Plan.

#### **9.4 Access**

SDM has an excellent reputation nationally as a museum that has good access –both physical, intellectual and special needs. There is little improvement a trust could make in this area, which again, is a credit to the staff at the museum and LCC.

Improvements can be made to the virtual access through apps and other forms of web based access. This would also develop web based school resource material.

The approaches to the museum do however require a rethink as the recent housing development have effectively hidden the museum in a housing estate. To improve the access and provide a linkage with the town a new visitor access should be investigated as a priority of a trust.

#### **9.5 E-commerce and Sales**

The increase in income through visitors, catering, hire and retail is essential to the sustainability of the museum. E-commerce is a growth area and the on-line purchases need to maximise. In addition SDM could through consortiums/partnerships become the central retailer for SDM and the small independent museum in the locality as well as provide a centralised purchaser to provide economies of scale for both SDM and other local visitor attractions.

Stock control and sale targets would be managed by the site manager and retail team and concessions negotiated with suppliers.

#### **9.6 Creativity and Innovation**

Since the museum opened in 1992 there has always been a strong association with the universities in Leicestershire; SDM was the first museum to include a virtual reality experience on gallery in 1993, built the first outdoor science play area in the UK and was innovative and creative in its approaches to museum displays and interpretation.

This reputation need to be reinforced by working closely with colleges, universities and industry and the science and technology displays need to be up to date and relevant and interesting to the public but a show case for the creativity and innovation in Leicestershire which include creative media, computer gaming/graphics, engineering and research.

Commercially there could be a technical innovation centre where the public could see and hire new technological equipment such as 3d printers, etc.

#### **9.7 Life Long learning**

The continued excellent education provision provided by LCC would be maintained and developed in partnership with LCC, local academies, free schools, colleges, health trusts and businesses.

An essential element of SDM is the preparation of people for the future through learning and training. The annual visitor figures produced by LCC show that 53% of the visitors to SDM are children with 39% adults and 45% family groups. This demonstrates the need and viability of a learning resource, both formal and informal. The formal educational development has been very successful under LCC management and an independent charitable organisation would build on this success.

Central government and the educational advisors have identified a short-fall in young people coming out of school with relevant experience and knowledge in the science and technology subjects. SDM is well placed to capitalise on National initiative for science, technology and engineering and through the work of the UK Association for Science and Discovery Centres and Engineering UK the value of hands-on science is an invaluable tool in the inspiration of children towards a career in science and technology. SDM can contribute to the national drive for more young people and in particular girls to enter engineering this has been demonstrated through the STEM initiative.

The independent charitable organisation would strive to establish an apprenticeship scheme training between 10 – 20 young people per year in various skills ranging from creative industries e.g. design and fabrication of interactives, exhibition management, event management, theatre management and skills, customer care, etc., this would forge valuable partnerships with colleges and universities.

In addition working alongside local business to identify apprenticeship opportunities and skills development for NEETs will allow SDM to provide valuable employment and training focus.

The value of a vibrant and dedicated volunteer group can offer informal learning experience to people interested in volunteering, work placement people or people looking to widen their skills base.

The site currently supports the employment of people with learning difficulties and gives them valuable work experience and wellbeing. An independent charitable organisation would continue this learning commitment and strive to expand it through outreach to care homes, day centres and hospitals.

SDM offers an invaluable lifelong learning potential and by retaining the exhibition gallery provides informal learning to every visitors regardless of gender, age or ability.

## 10. Human Resources – Volunteers and Staff Employment

### 10.1 Direct Employment

Core SDM Staff would be TUPE'd from Leicestershire County Council and new professional staff appointed by the independent charitable organisation. It is envisaged there will be between 15 and 20 permanent staff on a variety of contracts ranging from full time to seasonal. Discussion between the Trust and LCC will need to take place to determine the best way forward pension and length of services provision. The staff required to maintain SDM would be around 20 FTE and these would be categorised into the following areas;

#### TUPE

- Visitor Service Officer (1.65 FTE)
- Technical Posts (2 FTE)
- Sales and Enquiries Officer (2.41 FTE)
- Visitor Services Assistants (5.41 FTE)
- Catering Assistants (1.90 FTE)
- Senior Catering Assistant (0.95 FTE)
- Visitor Support (0.43 FTE)

#### Additional Staff (professional and support)

- Marketing (1 FTE)

- Century Theatre Events Officer (1 FTE)
- Education (1 FTE)
- Finance (0.45 FTE)
- Site Manager and Curatorial (1 FTE)

In addition to the staff above the register of colliery guides would be maintained.

The trust would also embark on a programme of work placements with local Job Centres Plus and schools/colleges/universities to enable students and those requiring work experience to gain both experience and temporary employment in a variety of fields. For specific areas of activity the trust would actively seek the development of an apprenticeship and NVQ scheme with trained accreditors and partnerships with local colleges. The importance of the trust employment strategy is to provide training, experience and employment to local people and therefore contribute to the local job knowledge pool and economy.

SDM currently engages with agencies that support people with learning difficulties or employment special needs. The trust will endeavour to maintain these links and continue to provide employment experience and training to people with special needs.

The revenue to employ this staff is sustainable with a small increase in income from the current base line.

### **10.2 Indirect Employment**

It has been established elsewhere in the business case that through the STEAM calculation SDM contributes around £4.2m to the local economy. This is contributing to services and supplies and therefore is indirectly provided valuable employment to local businesses, such as contract services, building and office supplies, petrol stations, shops and pubs/restaurants.

### **10.3 Volunteering**

The value and importance of volunteers has been outlined in the Governments Localism Bill and the 'Big Society' and all museums in the country benefit greatly from volunteers. The benefits are two fold;

- A pool of support and labour through direct engagement with the work and operations of the museum e.g. supporting full time staff, events planning and delivery, conservation and restoration, site maintenance, etc.
- A valuable source of match funding when applications are made to the principle grant bodies e.g. HLF. Volunteer numbers and time spent at the museum can be translated into a financial cost benefit.

SDM currently has an active pool of volunteers and closely associated with the museum is the Friends of Snibston, a group of volunteers who support the museum through events and projects. In addition to the FoS there is a countywide Friends organisation that support and provide networking to all the Friends organisations in county.

It would be the aim of the trust to increase the number of volunteers by actively promoting the value of volunteering for the individual's benefits;

- A sense of pride in the local heritage and museum,
- Sense of purpose
- An opportunity to learn new skills and teach other the individuals skills
- Social engagement and reducing the risk of isolation amongst older volunteers
- Individual wellbeing benefits to health (both through activity and mental stimulation)

- Establishing a routine and work ethics amongst volunteers who are unemployed

And the benefit of the museum;

- Provide a valuable source of additional labour
- Create a community focus
- Enable the trust to engage directly with the community
- Enable grant applications through match funding and volunteer engagement
- Create a social network
- Contribute to the skills and knowledge pool

Site management and staff development programmes will ensure the volunteers receive training in site operations which will help the volunteer to learn new skills and experiences and give them an opportunity to share their skills and experiences with other volunteers, staff and visitors.

All new volunteers will go through a selection and vetting process to comply with legal requirements and good practice.

## 11. Financial Appraisal

It would be irresponsible for a Trust to take on the operation of SDM if a financial plan was not sustainable and resilient. The following financial plan shows the transformation from local authority management to charitable trust status is sustainable and deliverable.

The transfer of the SDM to a trust enables working arrangements and strategies to be accessed that LCC cannot. The savings made by restructuring working practices and utilising volunteer workforce means a substantial drop in operating costs.

The analysis of LCC budget reports for 2012/13 and 2013/14 show savings have been made at an average of around 20% per year on specific cost headings. The underlying premise of trust management is that a continued 20% saving could be achieved in the budget overall.

Any contracts with LCC are dissolved on transfer to a trust and it is essential that better rates are negotiated and in place before transfer to prevent energy contracts transferring by default. An estimated saving of 20% per annum on Energy costs is anticipated by switching supplier and negotiating tariffs. Further savings can be achieved by changing work practices. If LCC can enter into a partnership with a Trust, then the community, the local economy and LCC will benefit.

A Trust will have substantial cost benefit savings and grant opportunities that will negate the level of existing LCC annual subsidy for Snibston. A trust will also make saving on all annual revenue costs which can be achieved through partnerships with other charitable organisation, sponsorship, commissioning and negotiations with suppliers, these are not an option for a local authority ran facility.

The financial assessment of future costs have been both reduced by 20% to reflect a new way of working but in addition the 3 year projection includes an annual 5% inflation increase. It is recognised that the current inflation is running at 1.9% but is seen as prudent to show a high inflation level due to future interest rate uncertainty.

Staff costs are the major consideration and it is acknowledge that the SDM dedicated staff would be TUPE'd to the trust, however, additional professional and administrative staff would also be required. The budget takes into consideration an increase the staff costs by 10% to allow for pension

provision and other bonus payments. It would be the long-term budgetary intention of a trust to give the staff better contracts and provide pension facilities for everyone. It is also desirable in a sales environment to introduce a performance related pay incentive with bonuses for workers when the museum reaches certain targets. It is clear that we will need the support of the museum staff and that they will have to be involved in developing and changing their roles to include working with more volunteers, working with external groups, attending and participating in management decisions and direction of the centre.

The TUPE'd staff however does not include LCC central pool of professional staff, which the trust will require. Therefore provision of professional staff can be achieved in three ways;

- 1) Direct employment of professional staff by the trust and
- 2) Contracting out curatorial, HR, accountancy, legal services, to external providers.
- 3) The trust commissioning another museum to provide management services which would include professional management, HR, accountancy, legal, etc.

(The financial projection spread-sheet below accounts for option 1.)

In addition the new operator will need to increase its income through visitor numbers, events and lettings. The museum currently attracts around 80,000 visitors' per annum, although LCC has recognised that the visit figures should be in the region of 90,000 – 120,000. Therefore financial plan assumes an increase in visitor income of 20% in year one; 15% in year two and 10% in year three (based on income realised in 2013/14) with a commensurate increase in visitor/customer numbers. A 20% increase is realistic as the transfer of operations to a Trust will enable a refreshed approach to its marketing plan, the already established tourism base and the re-establish the museum as a regional premier tourist attraction. It is with this aim that the marketing budget has been increase by around 30%. It would not be the intention of the FoS to increase admission prices until at least year 3, although car parking charges could be investigated and the implementation of gift aid.

The SMD can also be developed for external hire by show and exhibitions organisers; there is a lack of medium sized venues in the wider midlands to hold exhibitions in doors. The nearest equivalents being Newark and Nott's showground in the north, Stafford agricultural society in the West, Ryton on Dunsmore Sports Centre (Sky Blue) in the south. There could be a possibility of creating enough indoor space to hold shows, events and fairs throughout the year and utilising the outdoor area in the summer months. In addition the Century Theatre could become a venue for medium sized conferences and the site and Century Theatre would lend itself to weddings.

A new venture that the trust would embark on is the letting of workshop space and office space to established engineering companies and start-up businesses. This will in turn provide employment and potential apprenticeships. Annual income is based on need, floor area and access and could generate around £115,000 per annum.

A major consideration is the capital costs for maintenance of the Discovery Museum building. This has been identified by LCC to involve a complete reroofing of the building at an estimated cost of £2m. It is widely felt by specialists and FoS that this is a grossly over inflated estimate and external estimates would be in the region of £300,000 for replacement (with assistance from grants to enable the building to be more energy efficient) and localised repair costing around £10,000. It is with these costs in mind the financial plan is based.

A Trust would, however, need to take into consideration improvements to the site buildings in relation to the wider carbon rating efficiency rating and insulation and it is anticipated that this could be funded through various grant bodies e.g. HLF, Community Energy initiative, Carbon Trust, etc.

Wider maintenance savings can be made through a planned maintenance program that will provide work for local people and engaging Snibston Discovery Trust apprentices and utilising volunteer's further savings can be made.

A major expenditure between 2012 – 14 was energy costs. A trust will apply for funding from the Community Energy Initiative (see appendix X) to upgrade all the site buildings install a number of alternative low carbon energy generation provision. For example;

- Solar Power, i.e. ground based solar panels.
- Wind power.
- Ground source heat pumps.
- Pumped storage, utilising electrical energy generated from solar to pump water to an elevated position to run a hydro generator.
- Biomass burning, the discovery park could take in thinning from the national forest and burn in an environmentally clean biomass boiler to recover energy.
- Water recycling through grey water collection for use in toilets, grounds maintenance, etc.

These will also become exhibits and would contribute an additional educational resource for the museum. In addition the site will become a net exporter of energy to the grid. To fund this we could use a combination of grants and investment capital and will also have an educational value.

### Financial Projection Spread Sheet

#### Expenditure

Cost Heading	2012/13 Actual	2013/14 Actual	Year 1 Projection	Year 2 Projection	Year 3 Projection	Notes See Appendix X
<b>Staffing</b>						
Direct Employees	311,547	276,345	406,000	414,000	423,000	1
Consultancy fees	0	0	30,000	0	0	2
Legal, accounts, HR & HS	0	0	24,000	30,000	30,000	3
<b>Sub Total</b>	<b>311,547</b>	<b>276,345</b>	<b>460,000</b>	<b>444,000</b>	<b>453,000</b>	
<b>Premises</b>						
Grounds maintenance	3,093	91	1,000	1,000	1,000	4
Cleaning materials	0	82	200	100	250	5
Contract cleaning	71,953	71,103	25,000	25,500	26,000	6
Waste removal	4,173	5,360	5,500	5,750	8,900	7
Electricity	86,351	70,657	69,000	71,000	72,000	8
Gas	77,674	65,717	60,000	62,000	64,000	9
Water	9,624	6,602	6,000	5,500	5,000	10
Business rates	148,850	153,075	30,500	31,000	31,600	11
Central maintenance	103,177	78,277	25,000	100,000	100,000	12
Premises Insurance	7,305	7,743	5,000	5,000	5,500	13
<b>Sub Total</b>	<b>512,200</b>	<b>458,707</b>	<b>227,200</b>	<b>306,850</b>	<b>314,250</b>	
<b>Transport</b>						
Repairs & Maintenance	0	4,567	0	2,000	2,500	14
Fuel, oil, tyres, spares	0	181	200	250	300	15
Volunteer travel	241	130	1500	2500	2500	16
<b>Sub Total</b>	<b>241</b>	<b>4,878</b>	<b>1,700</b>	<b>4,750</b>	<b>5,300</b>	
<b>Supplies/Services</b>						

<b>Operating costs</b>	7,438	5,392	4,300	4,500	4,700	17
<b>IT Equip &amp; Maintenance</b>	2,396	5,947	4,500	4,700	5,900	18
<b>Materials</b>	161,972	158,211	126,500	126,500	130,000	19
<b>Exhibit staging &amp; main</b>	47,038	24,919	20,000	21,000	22,000	20
<b>Uniforms/protective cth</b>	180	2,422	2,000	500	1,000	21
<b>Printing</b>	2,574	4,841	3,800	4,000	4,200	22
<b>Stationery</b>	4,763	2,671	2,100	2,200	2,300	23
<b>Postal services</b>	4,860	3,456	2,700	2,900	3,100	24
<b>Telephones</b>	2,036	2,796	2,200	2,300	2,400	25
<b>Subscriptions</b>	0	3,241	2,500	2,600	2,700	26
<b>Publicity &amp; Marketing</b>	8,809	33,040	45,000	45,000	45,000	27
<b>Other expenditure</b>	11,813	24,510	19,600	20,600	21,600	28
<b>Card process/cash collect</b>	8,009	9,160	10,000	11,000	12,000	29
<b>Sub Total</b>	<b>261,888</b>	<b>281,088</b>	<b>245,200</b>	<b>247,800</b>	<b>235,300</b>	
<b>Total</b>	<b>1,085,876</b>	<b>1,021,018</b>	<b>934,100</b>	<b>1,003,400</b>	<b>1,007,850</b>	

### Direct Income

<b>Cost Heading</b>	<b>2012/13 Actual</b>	<b>2013/14 Actual</b>	<b>Year 1 Projection</b>	<b>Year 2 Projection</b>	<b>Year 3 Projection</b>	<b>Notes</b>
<b>Traded sales (Café)</b>	101,066	159,127	191,000	219,000	240,000	30
<b>Conference</b>		7,338	8,800	10,100	11,100	31
<b>Room Hire (inc. Theatre)</b>	30,491	29,752	35,700	41,000	45,100	32
<b>Adult learning</b>		16,035	19,200	22,000	24,000	33
<b>Fees and Charges</b>		50,448	60,500	69,500	76,500	34
<b>Retail</b>		86,790	104,100	119,700	131,600	35
<b>Admissions (inc. Theatre)</b>		342,087	410,500	472,000	519,200	36
<b>Other (N/A in 2013/14)</b>	531,882	0	N/A	N/A	N/A	37
<b>Commercial lets</b>	0	0	114,000	117,500	121,000	38
<b>Total</b>	<b>663,439</b>	<b>691,577</b>	<b>943,800</b>	<b>1,070,800</b>	<b>1,168,500</b>	

<b>Total expenditure</b>	<b>1,085,876</b>	<b>1,021,018</b>	<b>934,100</b>	<b>1,003,400</b>	<b>1,029,450</b>	
<b>Total Net Income</b>	<b>663,439</b>	<b>691,577</b>	<b>943,800</b>	<b>1,070,800</b>	<b>1,168,500</b>	39
<b>Actual (subsidy)</b>	<b>-422,437</b>	<b>-329,441</b>	<b>9,700</b>	<b>67,400</b>	<b>160,650</b>	

## 12. Efficiency Saving Related to an Independent Charitable Organisation Operation

### 12.1 Pay Back on Grants and Land

The "External funding legacy register for Snibston Discovery Museum 2014" shows that the following contracts are in place and any deviation could result in the repayment of all or part of the grant;

Century Theatre	HLF	£154,000	20 years contract, ends 2015
Fashion Gallery	HLF	£680,000	25 years contract ends 2030
Mines of Memory	HLF	£50,000	10 years contract ends 2017

This totals a potential maximum pay back of £884,000. In the view of Leicestershire County Council, *"...with one long term contract running until 2030, if they try to reclaim against one contract, they will probably try to reclaim all."* This pay back may be avoided by transferring the running of SDM to an independent charitable organisation but will require guarantees from both LCC and a new operating body to ensure the terms of the grant agency contract are upheld.

There is also some doubt over the covenanted land bequeathed by British Coal to Leicestershire County Council in 1986 as part of their acquisition of the redundant Snibston Colliery. The Leicestershire County Council cabinet report 'Snibston Proposed Future Offer' dated 1<sup>st</sup> April 2014 stated *"The upfront capital costs will be mitigated by the use of capital receipts from the sale of land and an allowance has been included in estimating the receipts in light of National Coal Board covenants on part of the site. Discussions will be held with the Coal Authority with a view to reducing the impact of these covenants on capital receipts"*. If the museum is demolished and the site disposed then there could be a financial penalty from British Coal of an unknown amount.

There could also be additional paybacks demanded from the Arts Council but this cannot be verified.

## 12.2 Return on Investments

Tourism bodies STEAM (Scarborough Tourism Economic Assessment Model) calculations, when applied to the operational budgets, visitor figures and visitor profiles of SDM the ROI to the local economy equates to £4.2m, the largest return for the East Midlands. If the museum is closed and replaced with a mining museum it is accepted by all, including LCC, that visitor figures will be substantially reduced by upwards of 80% with a corresponding fall in the ROI for the local economy. This at a time of emergence from one of the severest economic downturns in recent history could be highly detrimental to local businesses, employment and community wellbeing.

## 12.3 Off-Site Venues – Exhibitions and Storage

As LCC has not yet produced a business plan for the closure and redefinition of Snibston from a multi-disciplinary museum to a single theme mining museum the cost of winding-up the museum have not been adequately investigated or assessed. The relocation of collections for display in other venues has been considered for the Costume Collection also though a specific venue has not been determined.

The cost of this proposal is likely to be substantial and it is unlikely to attract external grants funding as it would be seen as a largely detrimental to access to the wider heritage.

## 13. Economic Dependencies

The Scarborough Tourism Economic Assessment Model (STEAM) and the Association for Independent Museums (AIM) have demonstrated the economic impact a museum can have on the local economy through secondary spend.

The STEAM calculations show that the ROI to the local economy is around £4.2 million, the largest return in the East Midlands. (See 12.2 Return on Investments).

The economic impact and importance of SDM cannot be refuted and a trust would work to ensure this ROI was maintained and developed in partnership with Visit England, Visit Leicestershire, NWLDC and LCC.

The additional economic benefits are through direct and indirect taxation and the employment of staff, both full and part time, which in turn will generate some disposable income in the district. It is estimated that the project will create around 10 – 15 full and part time jobs over the first five years.

The trust will apply for a multi-million pound grants to enable the museum to change and grow, earlier indication for the success of these grants are good, HLF had made an offer of £4M+ to LCC for SDM but this option was not taken up. With the external investment the trust will have an economic impact through goods and services, providing income to companies in the district and region who can assist with the regeneration of the museum and site.

## 14. Inward Investment

### 14.1 Tax and Other Savings

An independent charitable organisation could benefit from substantial tax and utility savings, which would be negotiated once a trust had been established.

### 14.2 Increased Operational Income

There is potential for increasing the income through audience targeting, letting workshops and space on site to established and new businesses, extended use of the Century Theatre.

### 14.3 Golf Driving Range

There is no mention in any financial report of the golf driving range which indicates LCC will retain this source of income.

### 14.4 Grants

The option for an independent charitable organisation managing the site would be advantageous for raising funds through local and national grants.

- HLF - It is highly probable that the Heritage Lottery Fund would look favourably on any application made and there are a number of funding streams available e.g. Sharing Heritage (£3,000-£10,000), Our Heritage (£10,000-£100,000) and Heritage Grants programmes (over £100,000), the Transitional Fund (up to £250,000 to assist with organisations going through change and Start-up grants from £3,000 to £10,000, are available for groups considering creating a new organisation to look after or engage people with heritage, or existing groups taking on new responsibilities for heritage, these relate to national, regional or local heritage in the UK. A major opportunity would be to develop a HLF grant with a wider environmental/townscape bid to allow the reconfiguration of the access to the site to be refocused towards the town centre. In addition support from English Heritage could be forthcoming for assistance with the Scheduled Ancient Monument.
- European Funding – there are many potential European funding grants that are available direct or through partnerships. The key areas of funding are through the European Regional Development Grants and European Social Fund. Further research is required to identify other European sources of funding which has been offered through the office of the local MEP.

- Arts Council England (ACE) is the strategic body with responsibility for museums. In terms of funding, ACE offers a Strategic Support Fund, with a total of £42m allocated from 2015-18 and from October 2014, a new £10m, the Museum Resilience Fund, specifically intended to support smaller museums in building their resilience in the coming years. ACE also administers the Preservation of Industrial and Scientific Material (PRISM) Fund, which awards grants of up to £20,000, or 90% of the total project costs towards the costs of acquisition and conservation of items or collections which are important in the history and development of science, technology, industry, and related fields. A parallel fund for the purchase of objects relating to the arts, literature and history is administered by the Victoria and Albert Museum.
- Association for Independent Museums (AIM) is a national charitable organisation which connects, supports and represents independent museums, galleries and other organisations. AIM provides an independent viewpoint based on operational and business experience of running successful enterprises. AIM operates five grant schemes: A Sustainability Grant Scheme, supported by the Esmée Fairbairn Foundation, to help members improve their medium and long-term viability. To be eligible museums must have an annual turnover of less than £300,000 or less than 60,000 visitors a year; A Conservation Grant Scheme, supported by The Pilgrim Trust, to assist smaller members with conservation of important objects in their collections; A Preventive Conservation Grant Scheme, also supported by The Pilgrim Trust, to help small museums develop a more sustainable approach to the conservation and management of collections through improvements to preventive conservation within their museum; Training Grants to support member museums in developing the skills and expertise of their workforce (paid or voluntary). AIM has also entered into a 3 year funding partnership with Biffa Award which will provide a £1.5m investment into independent museums and industrial heritage sites across the UK, through the National Heritage Landmarks Partnership Scheme.
- Health and Wellbeing – there is currently potential for the museum to work in partnership with health trusts, charities and other providers to raise grants for work with elderly and vulnerable people, e.g. social isolation, single parents, dementia patients, old people and rural isolation, etc. and their carers. The museum can offer a unique service through its outreach operations and collections.
- Employment support – financial assistance is available through LEPs, DfWP (Job Centres Plus) to provide short and medium term employment opportunities through work experience and apprenticeships.
- Science, technology and engineering – funding for science and technology centres in the UK has been for many years problematic as they do not fall within the funding criteria of ACE, HLF or other recognised heritage and cultural funding streams. This is currently being addressed by UK Association for Science and Discovery Centres and Engineering UK who are proactive in providing partnership links and support for STEM funding which is administered by National Inspiring Science Fund. The Big Lottery is open to science and technology applications but not for capital investment. UK Association for Science and Discovery Centres is currently crusading nationally for a £20 million pot from central government, industry and other national grant issuing bodies for financial support to any institution that is devoted to the advancement of science, technology and engineering.
- Community Enterprise Grant – there are a number of grants streams issued through Central Government for community and social enterprise, ranging from start-up grants, business development, community engagement, and social enterprise. Many would be relevant to the work of the new independent charitable organisation.
- Carbon reduction grants – the Financial Appraisal (Section 11) outlines the potential for reducing SDM carbon footprint through the development of green energy provision and new

ways of managing the site energy consumption. These grants will require research but it is hoped that the importance of reducing the current outlay on energy will be sufficient incentive to develop grant applications towards solar panels, wind generation, ground heat sources, grey water, etc.

- Museum, cultural and local initiative funding – there are a plethora of grant issuing bodies both nationally and locally who would be open to applications from SDM. These grants range from a few £100s to many £1,000s and the new management team would be proactive in identifying and applying for these grants.

#### **14.5 Trading Company**

As outlined above the benefits to the charitable organisation would be the incorporation of a trading company which would assist the charity through grants and covenants.

#### **14.6 Sponsorship, Bequeaths and Covenants**

The revival and re-launch of SDM will give an opportunity to approach local, regional and national business for support in kind or direct financial sponsorship. By aligning the independent charitable organisation with Chambers of Commerce and inviting business representation onto the management group as trustees/directors will provide access to the leaders of industry.

#### **14.7 Support in kind.**

There are a number of museum related organisations nationally and regionally who are well placed to provide support through advice, guidance, mentoring and governance.

- Museum development network provides free support and advice to accredited and those registered for accreditation museums in the region
- Major Partner Museums, the larger (non-national) museums that receive funding from ACE, are being asked to take an increasingly active leadership role in the sector.
- Midlands Federation of Museums and Art Galleries is a membership organisation open to everyone working in museums and art galleries in the East and West Midlands and provided networking, advice and support.
- The Museums Association is a membership organisation for people working in museums, galleries and heritage. Its role is to advocate for museums, set ethical standards and run essential training and professional development for museums staff or members wishing to further their careers.
- ACE also administers the national Accreditation Scheme which sets agreed standards for museums in the UK this offers through the process of application and review assistance with collection management, visitor/customer services, governance and emergency planning.

### **15. Partners and Stakeholders.**

SDM is well placed to become a heritage/cultural/scientific hub and work together with partners and stakeholders towards strategic objectives. The trust would maintain and build on the partnerships that have been developed by LCC and seek new partners who can bring financial support, advice, support in kind, and strategic links and benefits.

A potential new partner is Bardon Aggregates who are currently seeking a partnership with a community based facility in which to promote the work and history of the quarry and company as part of its quarry extension meeting the needs of the local community and its social responsibilities which will be funded through its Section 106 obligation. Other business partners will be approached and it is hoped the trust will have representatives from the business community.

Other strategic partners include the local heritage and cultural providers such as Venture Theatre, Conkers, National Trust, Sustrans, the Inland Waterways Association, Moira Furnace, Swannington Heritage Trust, Ashby Museum, Donington-le-Heath Manor House,

The trust would continue to work with the major stakeholders i.e. Visit England and ensure that VAQAS participation is continued, Visit Leicester-Shire, English Heritage, Arts Council (England), East Midlands Museums Service, Museums Association, Association for Independent Museums, the National Coal Mining Museum for England and LCC. It is hoped that a working relationship with LCC can be maintained and built upon for the benefit of the museum, the Scheduled Ancient Monument and the community.

With the development of apprenticeships and work experience project would create new stakeholder organisations e.g. Job Centre Plus, DfWP, colleges and universities, Health care providers, etc.

The trust would have statutory obligation through its charitable status and its location adjacent to a Scheduled Ancient Monument would necessitate close working relationship with LCC and English Heritage. The continuation of the museums accredited status and museum service delivery necessitates engagement with the Arts Council (England).

The trust would work with these partners and stakeholders to ensure there is strategic thinking within the area and that there is co-ordination and co-operation rather than competition for resources e.g. grants, sponsorship, volunteers, etc. SDM is well placed to become the leader in the local area and it would be advantageous to form a North West Leicestershire Cultural Partnership.

## 16. Collections Management

The collection is the USP of any museum and the reason for the museum's existence. The collections at SDM are varied and appeal to diverse audience. The collections on display are currently in the ownership of two local authorities; Leicestershire County Council and Leicester City Council. The closure of the museum and realignment to a mining museum will see the majority of these collections being placed in storage or necessitating identifying new venues for display. The transfer of operations to an independent charitable organisation will facilitate the majority of artefact remaining on gallery but in a refreshed approach and interpretation.

The ownership of the collections would need to be discussed in future detail at the business planning stage of development but it is the firm belief of the FoS that the collection should be retained by the relevant local authority and placed on long-term loan to the new operator.

The transfer of operations to an independent charitable organisation will require working closely with the Arts Council (England) to ensure a smooth transition of accreditation.

It is envisaged LCC will retain their reserve collection store at Barrow-on-Soar and the relevant professional staff to ensure good collection management. Likewise the independent charitable organisation will need to employ professional museum staff or an ACE approved Museum Mentor to ensure the day-to-day management of the collection whilst on loan. This model is commonplace in museums that have transferred from local authority management to a charitable organisation.

## 17. Infrastructure Schedule of Repairs and Maintenance.

This element of the business plan will require further work and close working partnership with LCC property management team and English Heritage. There is conflicting views on the cost and state of repair to the Discovery Museum roof and this would require independent assessment by the trust to establish the full extent of the works. Cost and schedule for other aspects of the site maintenance are well known and quantifiable and the figures for 2013/14 have been supplied by LCC for the purpose of this business plan; i.e. ground maintenance £91,000 (this figure is dubious and would require further investigation as 2012/13 the actual budget was £3,093) and central maintenance £78,277 (a £25,000 reduction on 2012/13 budget). The trust recognises that there will be a need to increase these budgets in years 2 and 3.

The maintenance of the historic pit top (Scheduled Ancient Monument) is also subject to further discussion and review between the trust, LCC and English Heritage. There is no published estimates for future maintenance or a conservation management plan and English Heritage have expressed that both will need to be established to ensure the full removal of the SAM from the Buildings at risk register. English Heritage have offered to assist and support the production of a conservation statement/management plan in line with their statutory duties.

## 18. Legal Considerations – Permissions and Constraints

It is recognised by the FOS that a trust would need to undertake further work in this area as part of its due diligence. It is currently understood that the two principle areas of permissions and constraints relate to the grants contracts and ancient scheduled monument permission.

It is likely that the current proposal to demolish the gallery and create a mining museum could result in the breaking of grant contracts with the HLF and ACE and the full or percentage of the grants to be paid back. The transfer of operation to an independent charitable organisation may negate this constraint but the relevant organisations would need to be consulted and their decision would be binding.

There is also a covenant on the land as stipulated by British Coal at the time of purchase in 1986. There is uncertainty as to the extent of the covenant but again it could pose a constraint on LCC as to the reuse of the land for development and equally on the trusts operations. This would require clarification for the benefit of both LCC and potential trust.

The proximity of Snibston Colliery which is a scheduled ancient monument (ref. no. 1018472) will require permissions for any development within the immediate proximity of the SAM and constraints on the use of the SAM. Any change of use to the Discovery Museum will necessitate consultation and permissions from English Heritage and it has been expressed by the regional office that the proposed demolition and redevelopment of the Discovery Museum site may not be viewed favourably and therefore objected, however, English Heritage has expressed their preferred option to retain the Discovery Museum in either continue local authority management or run by an independent charitable organisation.

The trust would also need to verify the proposed use of the workshop building and offices would receive permission for a potential change of use.

## 19. Governance

An independent charitable organisation could be formed new with the FoS acting as the catalyst with the current 'committee' forming the start-up Board of Directors/Trustees and applying for a charitable status. Once established the FOS would be the interim Board with the intention of bringing new wider experienced people within 12 – 18 months of incorporation.

The second independent charitable organisation model would be to enable Derby Museums Trust to incorporate SDM into their existing Articles and Memorandums. Both options would require a 6 month establishment phase.

It is the firm belief of the FoS that the only long term sustainable and resilient future for SDM is to transfer operations to an independent charitable organisation, either a new trust or an existing organisation.

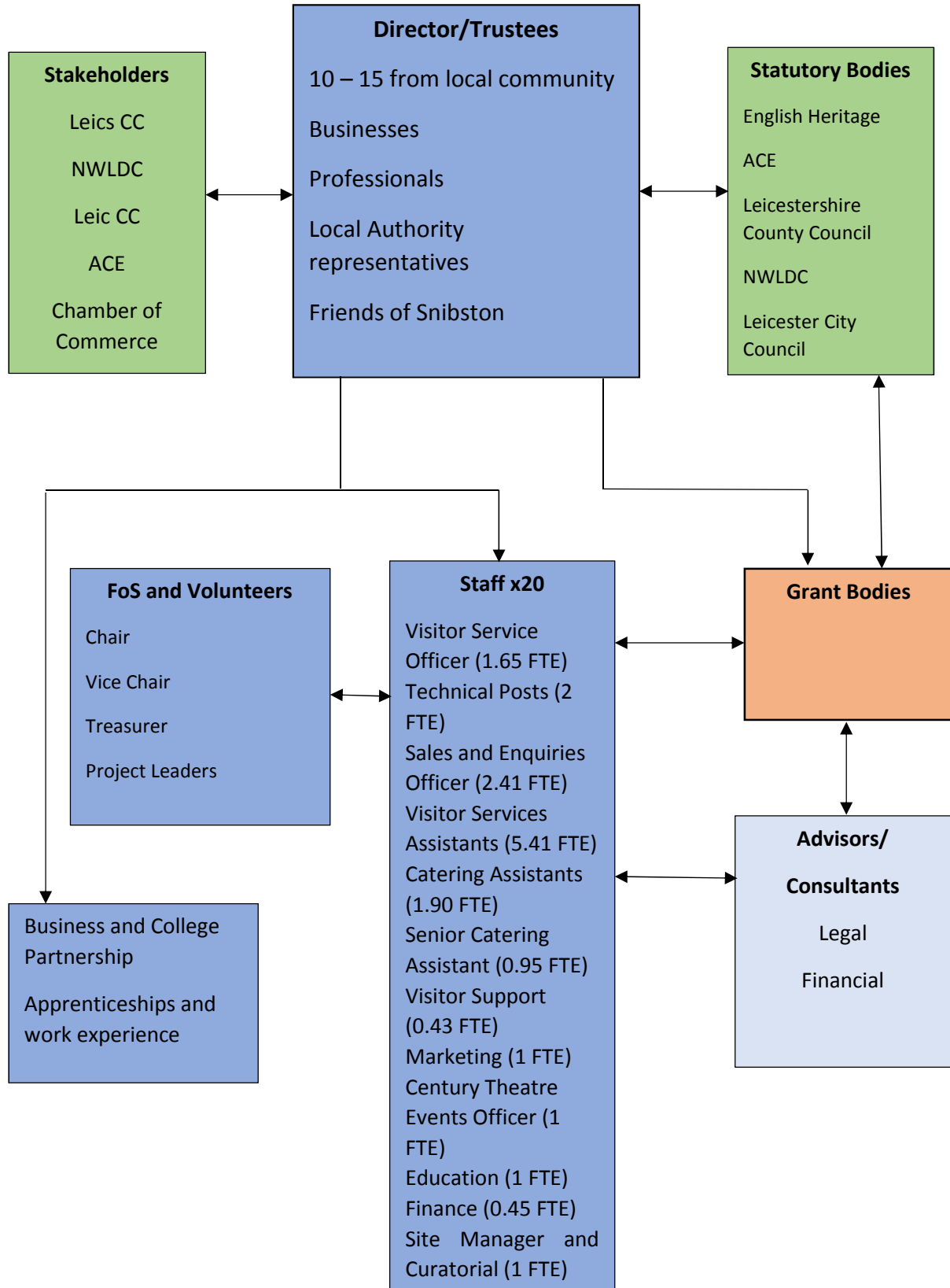
The museum management team would comprise of between 10 – 15 voluntary trustees/directors who would be responsible for the financial management, human resources, collection management strategic direction and annual reporting. The trustee/directors would be members of the local business community, Friends, professionals and individuals from the local community. If an existing trust is commissioned to be the new operator there will be an existing pool of staff and trustees/directors with relevant skills and expertise. There could also be an advantage of having a representative from the stakeholder authorities i.e. Leicestershire County Council and North West Leicestershire District Council.

The collection ownership has been discussed above and the same would apply to the land and property. Discussions between the independent charitable organisation and Leicestershire County Council would need to take place regarding the transfer of land and buildings outright or leases hold.

It is envisaged by the FoS that the land and buildings would be retained by LCC and leased to the independent charitable organisation on a pepper-corn rent for a minimum of 25/30 years. This lease arrangement would entitle the independent charitable organisation to apply for grants and tax benefits associated with charitable management facilities.

It would also be beneficial for the historic Pit Top to be retained by LCC in direct management as it is a Scheduled Ancient Monument and the expertise and knowledge to manage important historic building sites with the authority.

**Draft SDM Governance Structure for Independent Charitable Organisation**



## 20. Business Continuity Risk Assessment

Further work will be required on this assessment once the trust and LCC work closure together to transfer working arrangements to the trust

Risk Assessment	Low	Med	High	Mitigation
Income generation is not sustainable for attraction	Green	Yellow		New pricing structure and packages
Local Authority partnership and financial support not forthcoming			Red	Dependant on elected members. No alternative option
No external capital grants for restoration	Green	Yellow		Effort to increase visitor and private funding
Volunteers cannot be found to assist trust with museum delivery	Green	Yellow		Opening hours and income reduced
Access issues because of new housing development		Yellow		Alternative access investigated
LCC refuse to co-operate in development of a trust		Yellow		Seek assistance from central Govt. stakeholders & public
The local community are opposed to trust taking on museum	Green	Yellow		Increase awareness amongst locals. Ensure consultation
NWL Cultural Consortium unsustainable or not welcomed	Green			Project becomes stand alone
Competing attraction reduce visitor catchment	Green	Yellow		Work in co-operation
Regional schools unable to visit due to costs		Yellow	Red	Seek external educational grants to assist schools visits
Staff objections to being TUPE'd		Yellow	Red	Consult and negotiate with LCC and staff
The project does not attract Trustees	Green			A wider search is made
Friends of Snibston unable to form trust	Green			FOS step out of project and approach existing trust
Visitor figure not achieved over the next 3 years	Green	Yellow		Review financial projection and reduce spend
Financial projections not realised		Yellow		Review project and redefine – develop new BP
English Heritage retain SAM on Building at risk list	Green			Work in partnership with LCC and EH to develop plan
Not sufficient leases for business units		Yellow		Appointment of a business manager to market the site.
Changes in political leadership		Yellow	Red	Trust to meet with new elected members to raise awareness
Changes in Local Authority professional officer support		Yellow	Red	Seek alternative expertise from regional/national organisations
LCC refuse to transfer or loan collections	Green			Trust to seek arbitration from ACE
Stakeholder contracts are not transferable		Yellow		LCC will be responsible for the pay-back

Legal implication to the transfer of the discovery museum to trust			Seek assistance from outside legal advice and stakeholders
--	--	--	--

## 21. Conclusion

It is recognised by Friends of Snibston, cross political party representatives and key stakeholder bodies (e.g. English Heritage, Arts Council (England), East Midlands Museums Service) that, in the current climate of severe budgetary constraints on LCC, alternative future options should be considered for Snibston Discovery Museum that involves the transfer of operations to a charitable organisation.

Many other local authorities around the country have had to make difficult budgetary decisions and many have recognised the cost and community benefits of transferring a non-statutory museum service into the independent sector. This is a tried and tested method of ensuring that museums continues to delivery its learning objectives, community relevance, economic benefits, and tourism potential whilst saving the local authority valuable financial resources that can be redirected into statutory services.

FoS recognise that this business plan proposal will require further work to assess the viability and sustainability of transferring the museum into trust status and are prepared to work with LCC and other bodies to achieve this. The following action plan is proposed:-

### Action Plan.

<b>Action</b>	<b>Timeframe</b>	<b>Responsibility</b>
Green light from LCC that negotiation between FoS, stakeholders and LCC can begin to look at the transfer of Snibston Discovery Museum to a charitable organisation.	September 2014	FoS, LCC and stakeholders
FoS establish a charitable trust and raise the necessary funds to launch the trust (i.e. £5,000)	September – November 2014	FoS
FoS apply for transitional funds (HLF/ACE) to engage a professional consultancy or body to manage the process.	September – November 2014	FoS
Consultant’s report produced	February 2015	FoS and Consultant
Discussion open between Trustees and LCC to formally transfer SDM operation to the trust (note it may be necessary for a 90 day consultation with TUPE staff)	February/June 2015	Trust, LCC and stakeholders
Trust take responsibility of SDM	Summer/Autumn 2015	Trust/LCC

For further information relating to this business plan and its contents and proposals please contact Brian Vollar or Stuart Warburton on [bvollar@hotmail.com](mailto:bvollar@hotmail.com) or [stuart.warburton@outlook.com](mailto:stuart.warburton@outlook.com)

## Appendices

### Appendix 1

#### Financial Appraisal Spread Sheet Notes

1. The staffing cost will be the greatest outlay and the core SDM staff will be TUPE'd over the Trust. As a charitable trust we must be promoting employment and improving conditions of service for staff. Many of the staff are currently employed on zero-rated contracts and therefore lack employment commitments. Those with long service and pension funds will have to be considered carefully and external advice is needed in agreeing transfers and terms of service. This is where cooperation and discussion with LCC is needed and it is anticipated that pension rights could be supported by LCC until the trust is established and financially stable (two to three years). This is in the best interests of the staff concerned. Curatorial and education staff are employed through LCC central staffing budget and it is recognised these staff will need replacing by the trust. Staff included Volunteer management (c£20,000 pa); Marketing (c£30,000 pa), Education (c£30,000 pa ) Finance (c£20,000 pa) Curatorial (c£30,000 pa)
2. In year one there will be substantial start-up fees for the trust and it is envisaged this will be found through external sources
3. The management of revenue budgets i.e. HR management, H&S operations, accountancy and legal will need to be commissioned by the Trust or its management company and therefore will incur an annual cost. This will include insured liability for advice given and will include everything from hiring and firing to injury claims and illness. The same logic applies to Health, Safety and Environment advice, and a budget of £12,000 per year is predicted.
4. There is a huge discrepancy between 2012 and 2014 and therefore an estimated cost for grounds maintenance is an arbitrary £1,000. As a trust much of this work could be carried out by volunteers, negotiated sponsorship or by running work creation schemes utilising the grounds in partnership with other local charities such as friends of Holly Hayes Woods and Whitwick Community Enterprises, or Snibston Community Enterprises.
5. To offset the revised approach to contract cleaning there will be a compensating increase in equipment and cleaning chemicals costs.
6. This figure can be drastically reduced utilising existing staff to become responsible for cleaning in their area of work or utilising volunteers.
7. This has been increased year-on-year by an estimated 5% inflation, an over estimation.
8. It is hoped that the new trust will apply for funding from the Community Energy Initiative to install a number of alternative low carbon energy generation. These will become exhibits and the site will become a net exporter of energy to the grid. This will reduce the energy costs to nil and bring in a good supporting income to the trust. Replacing the main building roof with a well-insulated roof using grant funding will halve these energy figures even if alternative energy schemes are not installed.
9. As above
10. Reduction in water consumption can be achieved through recycled water (grey water) and efficiency usage.
11. As a charitable organisation non-domestic rates are immediately reduced by 80%. It's a statutory requirement to offer rate relief to charities who apply to their local council. There is a further 20% discretionary rate relief that could be negotiated with the North West

Leicestershire District Council. Given the tourism figure of £2.8 million the Discovery Park currently brings in to the district, it should be possible for a trust to negotiate a 100% NNDR relief. The spread sheet shows an 80% saving on 2014 costs. It is worth noting that LCC does not receive any relief on their NNDR.

12. Due to recent budget cuts by LCC the maintenance of the buildings (excluding the Ancient Scheduled Monument) are compounded. It is realised that there will be a need for substantial investment but it is felt the estimates by LCC are over estimated. There will be the potential for assistance from grants. A reduced expenditure for year 1 is to allow the new operator to establish a financial stability.
13. The insurance can be negotiated through charitable status and increases are not automatic.
14. No comment
15. No comment
16. With increase dependence on volunteers the volunteer expenses are likely to increase which is reflected in the subsistence travel.
17. It is recognised that the new operator will have the similar supplies and services and all are calculated at a 20% reduction on the 2013/14 budget. This can be achieved through negotiated supply cost, procurement and sponsorship.
18. See note 17
19. This relates to retail and catering food stock. See note 17
20. See note 17
21. See note 17
22. See note 17
23. See note 17
24. See note 17
25. See note 17
26. The subscriptions relate to the following – UK Association for Science & Discovery Centres (3525 pa), Visit England (VAQAS fee £360 pa), Licence/certification renewal (£350 pa), Association for Cultural Enterprises (£125 pa), Heritage railway Association (£55 pa) and Performing Rights Society Licence (£1,009 pa). The spread sheet shows concern that it was nil in 21012/13 and an immediate increase to £3,241 in 2013/14. Again a 20% reduction has been applied but this is arbitrary and may need further review.
27. This budget has been substantially increased to reflect the need to promote the museum at local, regional and national level.
28. This relates to various outlays related to visitor services e.g. SAM, Bonfire Night, Miners gala, special events, vending machines, kitchen appliances materials and services, and Century Theatre technical support. See note 17
29. This is identified in the 2012/13 spread sheet under the shown heading in the 2013/14 spread sheet it is entered as Third Party & Transfer Payments which also relates to security services, card and on-line transactions. It is anticipated that there will be an increase of income and therefore a commensurate increase in the money handling charges. This is calculated on a similar increase between 2012/13 and 2013/14.
30. It is essential that income is increased and the costs are based on a 20% increase in year 1 with a 15% increase in year 2 and 10% increase in year 3 based on the 2013/14 income.
31. See note 30
32. See note 30
33. See note 30
34. See note 30
35. See note 30
36. Admissions include all school entry fees. See note 30

37. These figures are not broken down by LCC for 2012/13 and therefore are shown as a lump sum under other income.
38. Certain buildings and offices on the site are suitable for letting, e.g. engineers workshop, stores building, 'miners canteen' and nine offices in the main administration block.
39. These projected figures assume a zero subsidy from LCC. It is hoped, however, as an act of goodwill, LCC will provide a level of subsidy in the early years of at least that intended for their new mining museum plans.