

EDUCATION, SKILLS AND CULTURE SCRUTINY COMMITTEE.

29th November 2018

Margam Country Park

Business Plan

(Income Generation Plan)

Action Plan Priorities Progress

1 Background

- 1.1 The new business plan for Margam Country Park was approved by Members at the Education Skills and Culture Board on the 9th November 2017. The business plan committed Margam Country Park to exploit all appropriate commercial activities and opportunities to reduce the current subsidy and in the medium to long term aim for full cost recovery.
- 1.2 Whilst Austerity has previously resulted in budget cuts for Margam Park, it is recognised that income generation is now the priority. To deliver this, it was important that the staffing structure at the Park reflected the commercial aspirations of the business plan. A new staffing structure and new management arrangements were brought in in 2017, to achieve a more commercial business approach.
- 1.3 To drive income generation, the park is presently working with two consultants.
- 1.4 The business plan committed to a catering review, to decide on business efficiencies, and best delivery model. It further committed to a review of the current assets of the Park, to ensure their potential is maximised, which included Twyn Yr Hydd. The catering review has been completed and a report will be presented to members for approval on the 18th November 2018.
- 1.5 A Cross Directorate steering group (comprising Directors and/or Heads of Service from Education Leisure & Lifelong Learning, Finance and Corporate Services and Environment and operational officers) has been established to oversee the implementation of the business plan.
- 1.6 A new fixed term 3 year marketing post has been created to provide professional marketing support for both the Princess Royal Theatre and Margam Park/Orangery.
 - 1.6.1 A new marketing strategy for the Orangery has been produced. The objectives of the marketing strategy are to increase brand awareness of the Orangery as a prestigious wedding venue, live events and corporate hire venue.
 - 1.6.2 An increase of brand awareness has already equated to a rise in yearly income. The venues digital marketing footprint has been analysed, and improved across all platforms.
 - 1.6.3 The Orangery's website will be improved and updated to a modern, user friendly template by the end of the 3rd Quarter (December 2018). The website will introduce metrics to track conversions and monitor marketing spend. Traffic to the website will be increased by 20% in 6 months and a means to capture data of potential leads will be introduced. Specific, measurable targets have been set.

Facebook - Increase following by at least 40 new followers per month.

Twitter - Increase following by 50% - Instagram - Increase following by 50%

Action Plan update:

Priority	Actions Progress	2016-17 £	2017-18 £	Estimate 2018-19 £	RAG <input type="checkbox"/>
A detailed catering review.	A review has been completed, and a report will be presented to the EDSC Board 18 th October.				
Margam Orangery	<p>In January 2015 the catering at Margam Orangery & Charlottes Kitchen transferred to the management of Margam Country Park. Since the transfer, the following business priorities have been implemented.</p> <ul style="list-style-type: none"> • A new staffing structure. • Staff training programme. • Increased local employment opportunities. • Supplier review and contract renegotiations for food and alcohol. • Review of pricing and profit margins for catering and bar. • Introduction of new wedding packages and branding • Appointment of Marketing Officer • Introduction of Wedding Showcases. 	£49,335 (Loss)	£2,900 (Trading Profit)	£60,000 (Trading Profit) £111k Turn around.	

	<ul style="list-style-type: none"> • New wedding booking process introduced. • Replacement of kitchen equipment. • Business expansion into the conference and training market. • Business expansion to include non-catered weddings e.g. Asian weddings. • Review of operational and health and safety procedures resulting in 5* awarded. <p>Customer rating and Facebook rating for the Orangery is 4.7 against a maximum of 5, Google users rate the venue 4.6 out of 5 & Trip adviser is 5* with 628 reviews.</p>																
<p>Increase Weddings in the Orangery.</p>	<p>Weddings:</p> <table border="0"> <tr> <td>2015-16</td> <td>19</td> </tr> <tr> <td>2016-17</td> <td>27</td> </tr> <tr> <td>2017-18</td> <td>30</td> </tr> <tr> <td>2018-19</td> <td>39 (2 Asian weddings)</td> </tr> <tr> <td>2019-20</td> <td>45</td> </tr> <tr> <td>2020-21</td> <td>56 (Generate extra £100k)</td> </tr> </table>	2015-16	19	2016-17	27	2017-18	30	2018-19	39 (2 Asian weddings)	2019-20	45	2020-21	56 (Generate extra £100k)				
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Increase other functions in the Orangery	Orangery functions show an upward trend. 2015-16 there were 26 functions. 2016-17 there were 132 functions. 2017-18 there were 146 functions 2018-19 there are 161 functions booked.				
	The offer at the Orangery has been extended to include Christmas Join a party nights, 2017 4 functions. This has extended to 6 in 2018.		£14k profit	£21k profit	
	<i>The Orangery is now targeting Seasonal Events</i> Summer Beauty and the feast Children's event, 4 sessions of 200 guests per session, spread over two days Children's Halloween Party		£0	£5k profit	
			£350 profit	£1k profit	
Orangery Bar	In 2015 the Bar was subject to a full operational review, this included. <ul style="list-style-type: none"> • Product Lines focus on premium brands • Suppliers which resulted in new contracts of both wines and beers. • Bar cellar refit, free carried out by brewery. 	£38k (Trading Profit)	£67k (Trading Profit) Including two large weddings generating £30k income	£80k (Estimated Trading Profit)	

	<ul style="list-style-type: none"> • Pricing and profit margins. • Staffing Levels. 				
Charlottes Pantry	<p>Charlottes Pantry's operational review identified the need to refurbish the café and re configure the lay out.</p> <p>New fridges were supplied by Coca Cola. Ice cream freezers and serving counters supplied by Mario's all on free loan.</p> <p>Replaced ageing equipment. The refurbishment was completed in early 2018.</p> <p>During the winter of 2017 the opening times were extended to offer catering facilities throughout the week to attract visitors to the park.</p>	£15k (Trading Profit)	£34k (Trading Profit)	£45k (Trading Profit)	
	<p>In the summer of 2017 a new mobile catering unit was situated in the children's village adjacent to the Orangery. This was sourced free of charge and opens only during good weather, thus keeping staffing costs to the minimum.</p>	£0	£17k Gross Income	£21k Gross Income	

Margam Gift Shop	In 2018 the Country Park shop was subject to an operational review. As a result of the review, the offer was extended to include further hot and cold drink, snacks, ice creams etc.	£32k (Trading Profit)	£35k (Trading Profit)	£40k (Trading Profit)	
	50% of Margam gift shop floor space (which was un used), has been leased to an outdoor clothing company			Annual rent £6k	
Margam Discovery Centre	<p>The present lease which expires in 2019 generates income from a 50% profit share and 50% share of the NPT schools increased charge.</p> <p>New 15 year lease is being negotiated which will remove council subsidy and will include the field study contribution to landlords building maintenance costs. New lease will commence in 2019</p>	£52k	£70k	<p>£68k</p> <p>2019-20 Saving of £200k subsidy</p> <p>£50k contribution to landlords building maintenance costs.</p>	
New marketing post	<p>Officer in post, new marketing strategy implemented, with a greater on line presence.</p> <p>Mystery visits to local wedding competitors have been carried out.</p>				

<p>Car Parking</p>	<p>Charges and season ticket pricing will be reviewed for 2018-19</p> <p>New season ticket was introduced October 1st</p>	<p>£200k (Car parking income)</p> <p>Oct 2017 13 tickets sold £301</p>	<p>£231k (Car parking income)</p> <p>Oct 2018 93 tickets sold £2k</p>	<p>£228k (Car parking income)</p>	
<p>Increase the online ticket sales opportunities to increase revenue streams.</p>	<p>New website for country park launched and new web site for the Orangery being developed. Tickets for park events can now be purchased on line.</p>			<p>On-Line Sales since 1st April 2018:</p> <p>Via Council Paycapita system £4,225.00</p> <p>Princess Royal Theatre Ticket System Total Gross £11,954.25</p> <p>Eventbrite Total Gross £19,398.50 (29th July - Jurassic)</p> <p>Projected for Christmas 2018 Events £4,500.00</p>	
<p>Seek grant/investment funding for Infrastructure improvements</p>	<p>Visit Wales £130k grant for car park improvements.</p> <p>HLF Grant £9k for the 1st World War flower exhibition.</p> <p>Preliminary discussions have been held with Margam Abby, regarding a joint HLF grant application.</p>			<p>£139K (Grants)</p>	

New Developments	Alliance Leisure Ltd, are carrying out a feasibility study, including a full cost appraisal, in relation to the provision of a wet weather offer, adventurous experiences and a family summer attraction. <i>An initial meeting has taken place..</i>				
Margam Castle	Heritage Lottery Fund application is being considered.				
Other current assets of the Park.	<p>Twyn yr Hydd - Report to EDSC Board 18th October.</p> <p>Three months filming company tenancy for Twyn yr Hydd.,</p> <p>Filming company above has requested to return in 2019, park management and estates colleagues have negotiated £130 per week retainer.</p>			<p>Initial Lease (25th June - 5th Oct 2018) Twyn yr Hydd £7,500.00</p> <p>Additional income from project during this period £3,728.00</p> <p>Extension of lease for part use of Twyn Yr Hydd for storage (6th Oct 2018 – 25th May 2019) £4,290.00</p> <p>Total: £15,518</p>	
Training Rooms,	Training rooms are now occupied by the physical activity and sport service	£0	£0	£7k	

	(P.A.S.S.) at an annual rent of £7k from 2018-19.				
Train.	Train in 2018-19 will require circa £15k for repairs. An operational review to be completed winter 2018, reviewing operating days, time, during term time, to increase profitability.	£29k	£30k	£30k	
Tender seasonal concession.	<p>Procurement process unfortunately precluded any seasonal concessions.</p> <p>The park has worked closely with Margam Adventures Ltd based at the park, which have now extended their offer to include.</p> <ul style="list-style-type: none"> • Peddle Go Carts • Stand up paddle boarding • Bike hire • Kayaking • Birthday parties * • Corporate training days.* <p><i>*Catering for these are provided by Margam Park.</i></p>	£0	£0	£6k Rent and 10% of CIRCA £50K turn over.	
		£0	£1.5k	£4.2k	
Jeep Safari	New for 2018 was the introduction of deer rutting safaris. The deer are both of	£0	£0k	£5k	

	<p>interested to visitors and one of the parks unique selling points, being the largest open access deer Park in Wales. A total of 9 safaris were organised as a pilot.</p> <p>The offer will be extended in 2019 to include tours to view the fawns in the spring.</p>				
<p>Promote Margam Park as a filming venue.</p>	<p>The park has registered with a number of new location agencies, as a result the park is in discussion with a production company for a major filming project for December 18.</p> <p>With the adoption of the new business plan, a staffing review was implemented, with one officer now responsible for events and filming. The following filming has taken place since Nov 18.</p> <ul style="list-style-type: none"> • Bad Wolf Ltd. For the filming of A Discovery of Witches £3,650 • Apostle Films Ltd. For filming Apostle £1,500 • Craith 1 Ltd. For the filming of Hidden £1,050 • Bad Wolf Ltd. For the filming of A Discovery of Witches £2,000 • Twenty Twenty Production Services Ltd for filming of Jerusalem £2,200 • Groff Entertainment for filming Paranormal Lockdown £3,875 	£6k	£82k	£15k.	

	<p>The following new production companies now have the Park Listed as a venue for filming.</p> <ul style="list-style-type: none"> · Creative Locations, · British Film Commission, · Venue Finder, · We are UK Film · Lavish Locations Wales · UK Fixer · UK Film location, · Wales Screen. · Salt Films 				
Friends of Margam	<p>Work with Friends group to increase volunteering. Work with the Friends to increase the awareness of the history of the park, to include an interpretation display. To improve the visitor experience thus increasing visitor numbers</p>			500 hours per months equates to £51k per year.	

Future Developments.

1. Margam Orangery;

Promotion:

Whilst the Orangery continues to grow its business, it is felt that a promotional video is required. Initial contact has been made with Michael Sheen's office to provide a voice over for a promotional video. A working team including Margam Marketing officer, corporate marketing and Tourism are working on the project.

Asian Weddings:

This is seen as a major opportunity to grow the business, a number of Asian weddings have been successfully held in the last two years. An initial meeting has been held with Councillor Saifur Rahaman who has offered to assist. It is planned to hold our first Asian Wedding Showcase in February 2019 targeting this new market. **In 2019-20 target of (7) weddings = circa £16k profit, target 2020-21 (10) = circa £23k profit.**

Wedding Accommodation:

Whilst the Orangery is increasing its business, one possible negative is the lack of onsite accommodation. Whilst we have never lost a booking at a show around due to the lack of accommodation, we do not know how many weddings do not consider the Orangery as a venue due to accommodation. Mr Colin Taylor CGT consulting the APSE consultant, who has been engaged by the council, is working with park management to explore a number of options.

- Log Cabins
- Clamping
- Ivy Cottage which is presently rented as holiday accommodation.

Building Enhancements:

In order to maintain the significant momentum, and further develop the business to take the venue to the next level, investment will be required to include the following:

- New second bar in the West Pavilion circa £20K
- New soft furnishings in the West Pavilion circa £20k
- New external storage for freezers and chiller units circa £30k
- Refurbishment of toilets circa £100k
- New PA system. Circa £20k

To fund this expenditure it is proposed that the investment of £190k be made via the capital programme and prudential borrowing repayment over 7 years with a contribution of circa £28k per annum from the Margam Park budget. This sum will be the first call on additional income generated.

2. Seasonal Catering.

In the summer of 2017 a new mobile catering unit was situated in the children's village adjacent to the Orangery. This was sourced free of charge and opens only during good weather, thus keeping staffing costs to the minimum. In the summer of 2017 £17k new income was generated, in 2018 this raised to £21k. Under the terms of the proposed new lease with the Field Studies Council, for the Discovery Centre, public access to the on-site café will be withdrawn, due to their concerns regarding safeguarding. This is seen as a business opportunity for the park, it is proposed to site a second seasonal mobile catering unit in that area adjacent to the children's play park. **Estimated income opportunity £16k.**

3. Paranormal Experience:

The park presently works with twenty groups annually that deliver a paranormal experience. In 2017-18, 47 nights were hired out, generating an income **£21k nett** (1,400 participants). In 2018-19 up to 1st October, 49 bookings, generating circa **£22k nett** (1,500 participants). This is a growing market we tend to exploit as an income generation opportunity. Recently Sky Tv filmed over a week, a Paranormal Lockdown in the castle generating an income of **£3.9k. Target 2019-20 £25k**

4. Aspire2 b App

The Friends of Margam in association with Aspire 2 be have applied to the heritage lottery for a grant to the sum of £50k, this is to develop an app that will guide visitors around the entire park. The app will not only give visitors a detailed description of the parks heritage this can also direct visitors towards our café, shop and advertise events for secondary spend opportunities estimated at **£5k** in year one. A further income generating opportunity lies in the sponsorship of the app and also the data the app captures which has the potential to be sold to third parties ensuring GDPR is followed.

5. Historic Trail:

An area of the park that has not been exploited is the Heritage Market. Park management are actively working with Margam Abbey to develop and promote a coherent heritage offer centred around the historic core of the gardens, monastic ruins, Margam Abbey and the stones museum. A heritage steering group is being set up which includes officers from the Council, representatives from the Friends of Margam and the Abbey. The aim is to open up this new market for commercial gain.

6. School end of term proms for year 11/12 are becoming increasingly popular. Margam Orangery, for the first time for a number of years will be hosting these events for a number of Neath Port Talbot and Bridgend Schools.

7. Future Developments - Visitor Attractions

A feasibility study has been commissioned, to establish the best mix of additional wet weather family attractions to develop at the park, with a view to reducing the operating subsidy in its entirety, over time.